

## 39th Board Meeting

# Resource mobilization update

For Board Information

GF/B39/24

Skopje

09-10 May 2018

 **The Global Fund**

 The Global Fund  Le Fonds mondial  El Fondo Mundial  Глобальный фонд  全球基金  الصندوق العالمي 

# Executive Summary

## Purpose

Regular update to Board on resource mobilization (RM) & on developing the Framework for RM Action Plan 2018-19 in follow-up to [GF/B38/DP07](#)).

## Conclusions

- 5th replenishment pledge conversion on track & efforts to mobilize additional resources ongoing
- RM framework 2018-19 in discussion with new ED but also requires engagement of new ER Head

## Input Received

AFC inputs & consultations with advocacy partners have informed this update

## Input Sought

Acknowledge revised timeline & provide inputs for development of RM Action Plan

# Resource mobilization update (as of end March 2018)

5<sup>th</sup> replenishment pledge conversion on track & new pledges mobilized

## Donor Contribution Agreements

- 37 contribution agreements with public donors out of 38 expected to shift from tripartite to bilateral for the current replenishment period; of these 31 bilateral and 1 tripartite agreements have been signed

## Mobilization of Additional Resources

- Additional public and private sector pledges announced post-replenishment total \$35.1 mil.
- New Debt2Health agreements that were signed in November 2017 & a few others are currently in discussion (last agreement was signed in 2011)
- New strategic PS partnerships launched at WEF-Davos & at the Malaria Summit (held 18 April as part of the Commonwealth Heads of Government Meeting)
- Board decision to create transitional non-voting Board seat for public donors pledging \$10 million or more in current replenishment as an additional means to expand GF donor base

# Increased engagement with smaller/new/returning donors

## Key highlights

### Spain

- Catalonia crisis presented huge hurdle for new pledge (EUR 100 million had been put in as a motion in Parliament before the crisis)
- Signing of 3 new Debt2Health deals with Spain in Nov 2017 signaled continued interest & willingness to engage with GF

### Portugal

- Ongoing engagement to encourage return to previous level of support to GF & on TA to Lusophone countries

### Slovenia

- Small contribution to GF until 2010; has been invited to return as donor to GF in the context of its 2018 presidency of Human Rights Council

### Estonia

- Initiated discussion on potential contribution to GF in margins of Senior-Level Policy Dialogue on HIV and TB in Tallinn in Dec '17
- Focus is on building awareness & support for GF within relevant Ministries

### Finland

- Contact re-established & confirmed alignment between Finnish development priorities & GF's mission
- Continued engagement through EU (presidency in 2019) & other platforms, & to work with advocacy partners to ensure GF strongly positioned when ODA levels increase

### New Zealand

- Returned as donor in 5th Replenishment
- Re-engaging deeper relationships in the context of new Labor coalition government & as triennium ODA cycle starts

GF intensifying engagement towards new/increased pledges which could materialize already in 2019

# “Non-traditional” donors/emerging economies

## Nurturing strong relations with LAC

### Argentina

- GF working with partners to build continued momentum of new G20 health track under Argentina’s G20 Presidency (through G20 Health Working Grp)
- further opportunities for engagement as well as public-private resource mobilization opportunities in discussion with Argentina

### Mexico


- Overall objective is to sign MoU with AMEXCID to strengthen partnership, with TA as first step (malaria elimination and social contracting for HIV)
- Event on Social Contracting in Mexico to share the country’s experience transitioning out of Global Fund support

### Brazil

- Maintain relationship and explore TA to Lusophone African countries

### Chile

- Explore areas of collaboration with the new Government; initial discussions around South-South and Triangular Cooperation with countries in the region



The primary objective is to secure ongoing engagement and broad political support for the GF and its mission.

This could translate this into financial contributions in the medium to long term

# “Non-traditional” donors/emerging economies

## Accelerating efforts in the Gulf region

**Focus on** Saudi Arabia (restore); Kuwait (maintain), Qatar (increase), UAE (1<sup>st</sup> pledge)

### **Challenges:**

- Challenging landscape (geopolitical crisis, drop in oil prices, competing priorities)
- GF not very well known in the region
- Preference for earmarking of contributions

### **Focus is on accelerating engagement & increasing GF visibility in region by ahead of 6th replenishment:**

- Visit to MER/Jordan by Qatar Fund for Development in Oct 2017 & to GF in Geneva end Jan 2018
- UAE engagement strategy developed, with input from regional experts who will support implementation

### **Next steps:**

- Leveraging regional and global events for more visibility for GF
- Engagement in governance through newly-created transitional non-voting seat (see next section)

# “Non-traditional” donors/emerging economies

## A new engagement strategy for China

### Objective of the new China engagement strategy:

- To increase China’s engagement with GF through financial contribution, co-investment, and capacity-building (for e.g. in supply chain management, etc.) in the 6<sup>th</sup> replenishment.

### The approach is structured around 3 engagement pillars:

- **Seeking synergies with China’s international development strategy** and Belt & Road Initiative by identifying overlapping areas where a long-term partnership can be built up;
- **Setting up tripartite cooperation between the Global Fund, China and African or Asian implementing countries** in specific areas, including co-investment in programs, TA, etc.; and
- **Promoting frequent communications** with China at different levels in various areas, including engaging with the private sector.

Key milestone: target to sign first tripartite agreement/s by September 2018 at the Forum on China-Africa Cooperation (FOCAC) in China

# Evolving GF governance structure

## Recent Board Decision to create ‘transitional’ non-voting seat for public donors

- GF/B38/DP05 of Nov 2017 created **“transitional non-voting seat” for public donors currently not represented in a public donors voting constituency** for those donors pledging at least US\$10 million for 2017-19 based on:
  - Broad recognition at Board that representation of additional donors in the governance structure can be a means to attract additional resources and to continuously broaden GF donor base.
  - Intended to be an interim solution to respond to the increasing demand and to inform the broader review of the governance structure (likely at mid-term of GF Strategy)
- **Donor Voting Group currently reviewing its seat allocation framework** in light of the decision to clarify conditions under which those in “transitional non-voting seat” may be integrated into a voting public donor constituency



# Private sector engagement & innovative financing

## Recent updates

### • **WEF-Davos, Jan 2018**

- GF launched HER campaign & announced new partnerships
- (RED) announced partnership with A4A (already a GF partner)

### • **(RED) Partners' Summit, Feb 2018**

- (RED) has reached the \$500 mil. contributions milestone, thanks in part to (RED) iPhone sales & the new Amazon partnership launched during Shopathon (Dec'17)
- Ambitious plans for 2018, including bringing Amazon(RED) to Europe, a contemporary art auction, etc.

## **New UK malaria match fund for up to £100M, BMGF pledge of £50M & new PS partnerships announced at Malaria Summit, April 2018**

- UK announced a new malaria match fund of up to £100M to leverage more private donor contributions to fight malaria through GF after GF successfully mobilized £100M to unlock the first £200M UK malaria match fund\*. BMGF matched the UK's new commitment with a pledge of £50M.
- M2030, a new consumer-marketing initiative announced an initial \$5 mil. fundraising target to support malaria elimination efforts in the Greater Mekong Sub-Region with partners like Yoma Strategic Holding, Shopee and others
- Human Crescent, a new crowdfunding platform for Muslim philanthropic giving, announced a joint fundraising campaign with the Global Fund

# Debt2Health update

Nearly €100m invested in health programs through Debt2Health

Parties	Component	Signing/ Expected signing date	Debt swap amount	Counterpart Payments	Targeted funding	Status**
Germany – Indonesia	HIV	Sep'07	€ 50m	€ 25m	Notional / RFC	Closed
Germany – Pakistan	TB	Nov'08	€ 40m	€ 20m	Notional / RFC	Closed
Australia – Indonesia	TB	Jul'10	AUD 75m	AUD 37.5m	Notional / RFC	Closed
Germany – Côte d'Ivoire	H	Sep'10	€ 19m	€ 9.5m	Notional / RFC	Ongoing
Germany – Egypt	M (Ethiopia)	Jun'11	€ 6.7m	€ 3.3m	Notional / RFC	Closed
Spain – Cameroon	H	Nov'17	€ 24.1m	€ 9.3m	UQD / CRFC	Ongoing
Spain – DR Congo	M	Nov'17	€ 7.6m	€ 3.0m	UQD / CRFC	Signing
Spain – Ethiopia	RSSH	Nov'17	€ 7.7m	€ 3.2m	UQD / CRFC	Ongoing
Germany – El Salvador	RSSH	Q3 2018 (TBC)			UQD/CRFC	In discussion
Germany – Papua New Guinea	M	Q3 2018 (TBC)			UQD/CRFC	In discussion
Spain – Guinea Bissau	TBC	2019 (TBC)			TBC	In discussion
Cumulative total to date			€ 207.7	€ 99.8		

+ Prospecting efforts ongoing with other potential creditors and counterparts

Debt2Health is the third largest “non-ODA” revenue stream for the Global Fund, after BMGF and (RED)

# Update on Sixth Replenishment preparations

## **Ongoing discussion with potential host countries whose political leadership will be critical to successful Replenishment -**

- willingness and capacity to act jointly as champions for the process
- significant contribution/ capacity to increase contribution
- leadership role in G7 – G20 or other platforms

## **Early hosting announcement at high level event is often sought jointly with the host as a means to send a signal to other donors -**

- increase profile of GF
- early timing helps ensure high level representation of donor & implementing countries at Pledging Conference

## **Early 2020-22 pledge announcements already in discussion with some donors -**

- create momentum & positive dynamic for the replenishment campaign

# Investment Case timeline



Consultations (internal + external)  
 Review data from partners  
 Project 2020 impact based on  
 concept notes  
 Project domestic and external  
 financing

Develop components of the  
 investment case

Finalize estimates  
 Produce report

△  
 Committee  
 Meetings

△  
 39<sup>th</sup> Global Fund  
 Board meeting

△  
 Committee  
 Meetings

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 40<sup>th</sup> Global Fund  
 Board meeting

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 Launch event  
 Preparatory  
 Meeting for  
 Replenishment  
 TBD (Q4 2018 or  
 Q1 2019)

# Thank you