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## Fund Profiles: Global Fund, GAVI, Fast Track Initiative, and Roll Back Malaria

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Please contact Development Initiatives directly if you would like any of the excel spreadsheets mentioned in this paper [di@devinit.org](mailto:di@devinit.org)  
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# **FUND PROFILES: GLOBAL FUND, GAVI, FAST TRACK INITIATIVE AND ROLL BACK MALARIA**

## **1 THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA:**

Financial data for 2001-2005 attached (see FundsGLOBALFUND (1) 092.xls).

### ***1.1 Pledges and paid contributions***

- In 2001-2, the Global Fund received \$956 million, \$9m more than the pledged total of \$947.5 million. There were no outstanding pledges
- In 2003, it received \$4.3 m more than the pledged amount of \$932.3 million. This was despite the fact that \$2.4 million dollars worth of pledges were not paid.
- In 2004, payment received was below the amount pledged for the first time, by \$135.9 million. Outstanding pledges totalled \$136,735,210.
- For 2005, the Fund estimates its needs at \$2.3 billion. At present, the pledged amount for 2005 stands at just over \$1.2 billion.
- For 2006 and 2007, the Fund estimates its needs will increase to between \$3 and \$4 billion per year. The pledged amount for 2006 is currently \$711 million and for 2007 it is \$409 million. These amounts may increase after the replenishment meeting in March (see below).

### ***1.2 Donors***

- US\$3.3b has been paid into the Global Fund to date from 56 donors. Of that, 94% has come from DAC donors; 68% from the G7. The USA was the largest single contributor, with a total of \$1.08 billion paid over the three year period.

- Private donors accounted for just under 5% of the total but the Gates Foundation contributed \$50 million each year from 2001-2 to 2004. This makes it the seventh largest donor to the Global Fund (see worksheet 'Ranking' in GlobalFund.xls)
- Although non-DAC countries contributed only 1% of the total, developing countries are represented on the list of donors which includes Kenya, Zambia, Brazil, Zimbabwe, Uganda, South Africa, China and Nigeria (rank 20 out of 56) as well as a number of Arab States and countries of Central and Eastern Europe.

### **1.3 Under and Over payments by donor**

- While the majority of donors paid the amount pledged, seven either failed to keep their pledges altogether or paid less than the pledged amount. These include Italy (\$120 million pledged but unpaid – 36% of the pledge), South Africa (\$1.1m, 37%) Nigeria (\$0.9m out of a pledge of \$10 million, 9%), Brazil (\$50,000 and 50%) and Mexico and Cameroon who failed to meet any of their pledged amount. (The sheet 'Paidvspledged' in GlobalFund.xls ranks donors according to the total level of overpayment or underpayment during the period 2001/2-2004.)
- In 2001-2, there were three over-payments. None of the donors failed to keep their pledges. In 2003, Italy again overpaid by \$6.5 million. Three countries did not pay the pledged amounts – Cameroon (\$100,000), Nigeria (\$1 million) and South Africa (nearly \$1.2 million). In 2004, Brazil failed to pay the pledged amount of \$50,000 but this was not carried forward to 2005. Italy also failed to pay its pledged amount of almost \$135.7 million. This has been carried forward as a pledge for 2005.

### **1.4 Requirements**

- In the past, the Global Fund has not requested specific amounts from donors because it received roughly \$1.5 billion in pledges even before it had been established. For the first two years of its existence, the voluntary ad hoc contributions it received were sufficient to meet the demands of recipient countries. In 2005, for the first time, it will use a replenishment mechanism to ensure more predictable long-term funding. The first replenishment meeting will be held in Stockholm in March and will define the targets.

### **1.5 Earmarking**

- One of the basic principles of the Global Fund is that contributions cannot be earmarked. This has enabled the Global Fund to develop a wide portfolio of activities in 130 countries. It also means that the Fund can invest in countries with which some donors might have a problem.

## **2 EDUCATION FOR ALL, FAST TRACK INITIATIVE (FTI)**

(Financial data for 2003-4 attached (see FundsFTI.doc). This covers the Catalytic Fund as well as the FTI Secretariat Trust Fund.)

### ***2.1 Functions of the FTI***

- The Fast Track Initiative (FTI) is a partnership of developing countries and donors created to help low-income countries achieve the MDG of Universal Completion of Primary Education by 2015.
- Donor partners of the FTI are the DAC members: Australia, Austria, Belgium, Canada, Denmark, European Commission, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Russia, Spain, Sweden, Switzerland, UK, USA.
- The FTI does not itself finance education, but it “bridges global commitments and local implementation around a set of reciprocal obligations: for the low-income countries to develop and implement sound education programs, and for donors to support such programs with finance and with enhanced efforts at harmonization, coordination, and acceleration.”
- In June 2002, 18 countries, representing over 17 percent of the world's out of school population, were invited to prepare proposals for FTI financing. By November 2004, 12 had received endorsement through the FTI review process<sup>1</sup>. This first set of countries was selected because they responded to the FTI criteria of having a PRS, being off track in achieving the MDG, and demonstrated an upward trend in performance in primary education and domestic financing

### ***2.2 Requirements and Fund Gap***

- According to an FTI Status Report in November 2004, total programme costs for the 12 FTI-endorsed countries are estimated at about \$2.2 billion/year between 2003-2005.
- Domestic revenue is estimated to finance 75% (\$1.6 billion a year), and external financing 25%. External financing needed for these countries is therefore \$600 million a year (the external financing is provided directly government-government)<sup>2</sup>.

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<sup>1</sup> These were: Mauritania, Guyana, The Gambia, Honduras, Burkina Faso, Ghana, Nicaragua, Niger, Guinea, Vietnam, Mozambique, Yemen. Since the publication of the report, Ethiopia has been endorsed. The 5 awaiting endorsement are: Albania, Bolivia, Tanzania, Uganda, Zambia.

<sup>2</sup> The cost estimates were calculated by the FTI Secretariat on the basis of the country plans and funding figures provided by donors.

- Presently, donors contribute an estimated \$350 million a year, leaving a financing gap of about \$220 million in 2004, and \$260 million in 2005<sup>3</sup>.
- According to country plans, domestic financing is expected to increase by an average of 6% a year between 2003 and 2005. Between 2003 and 2004, donor funding increased by 16% (from \$320 to 370 million). 80% of this increase is attributable to the Catalytic Fund (\$45 million).

### **2.3 FTI methods of mobilising resources**

- Existing bilateral and multilateral channels, including silent partnerships, are considered the most important avenue for increased financing. Should there be a shortfall, the FTI partnership serves as a platform for disseminating the financing gaps and mobilizing donors to fill them. As an FTI status report points out, this mobilization process will not work effectively for all countries because ODA is not always allocated on the basis of need or performance. This is where the Catalytic Fund has a role to play.
- The “Catalytic Fund” was established in November 2003 to support the FTI by providing transitional financial assistance to low-income countries which have completed a Poverty Reduction Strategy and whose education sector plans have been endorsed by donors through the FTI review process, but which have difficulty mobilising additional external funding at the country level due to a relatively limited donor presence. Transitional (2-3 year) assistance from the Catalytic Fund can enable these countries to begin scaling up the implementation of their sector programs and establish a track record of performance that will help in attracting longer-term support from new donors. Thus, not all the FTI-endorsed countries are eligible for funding from the Catalytic Fund, just those which are unable to mobilize resources adequately.

### **2.4 Main donors**

- The accounts for the Catalytic Fund are divided into the “BNPP Education for All Fund” and the “Catalytic Fund”. Four donors contribute to the Catalytic Fund: Netherlands, Norway, Italy and Belgium. Of these, Netherlands is by far the most significant.
- The Bank-Netherlands Partnership Programme (BNPP) is a Dutch Trust Fund which was in place when the Catalytic Fund was established. The Dutch government then decided to channel its funding of approximately \$39.5 million for 2003-4 through the Catalytic Fund. Of this, \$14 million was disbursed in 2003-4.

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<sup>3</sup> As noted earlier, it is not the role of the Catalytic Fund to fill this financing gap but to help leverage funding from existing bilateral and multilateral channels.

- The Netherlands has pledged a further EUR 195 million to the Catalytic Fund.
- In 2003-4, Norway, Italy and Belgium contributed approximately \$9.5 million to the Catalytic Fund. Of this, just over \$5 million was disbursed. The 3 donors have pledged a further NOK 40 million plus EUR 6 million.
- The FTI Secretariat Trust Fund was established in July 2004 to finance the Secretariat's operations. The UK DFID pledged GBP 300,000 to this while Germany and France pledged \$50,000 each. Due to a delay in receiving funds, \$150,000 was advanced in September 2004 from the FTI interim budget and the pledges have been carried forward to 2005.
- According to the November 2004 Status Report, total cost of staff, travel and overheads are estimated at \$1.17 million annually, of which the World Bank finances 67%. Staff costs to partner agencies (DFID and France) are estimated at US\$ 523,000.

## **2.5 Earmarking**

- Since the Catalytic Fund is a multi-donor trust fund, there is no ear-marking of donor contributions.

## **3 ROLL BACK MALARIA PARTNERSHIP**

Financial data for 2003-4 attached (see FundsRBMfinancialsituation 102.xls). For 1998-2002, only income data available (see 1998-2002 tab of spreadsheet above).

### **3.1 Structure of the RBM Initiative**

- Although the Roll Back Malaria initiative was established in 1998, it was a project of the WHO Secretary-General's Cabinet until 2002. Therefore, financial information covered both the initiative and WHO's own anti-malarial activities.
- During the period 1998 – 2002 the RBM income ranged between \$15m and \$36m a year.
- The UK was the largest contributor to Roll Back Malaria during this period, with a total contribution of approximately \$68 million. At the end of 2001, DFID expressed its dissatisfaction with the lack of results at country level (although the initiative had undertaken a lot of advocacy, there were no clear outcomes from its investment of about \$60 million between 1998 and 2001). Therefore, an external evaluation, led by Richard Feachem, then an advisor with the World Bank, was commissioned. This concluded that the initiative could not remain a WHO Cabinet project as it needed to

be a genuine partnership and include all actors involved in anti-malarial activities, not just the four founding partners – WHO, UNICEF, UNDP and the World Bank. It also recommended the establishment of a separate RBM Partnership Secretariat which would report to its own board rather than WHO. This led to a separation between the RBM Partnership, which now has over 200 partners and a board with 22 members, and WHO (although WHO's malaria department was re-named Roll Back Malaria in 2003 and hosts the Partnership Secretariat). The 2003-4 financial data is for the Partnership alone.

### **3.2 Donors**

- The income data for 1998-2002 shows 16 bilateral donors to RBM. However, only 3 of these – the UK, the Netherlands and the USA - remained donors to the Partnership in 2003-4. The UK remains one of the largest donors to the Partnership (with only the World Bank, one of the founding members, contributing more). However, at \$1.4 million, the level of funding from the UK is considerably lower than during 1998-2002. This is probably the main reason for the very sharp drop in the Partnership's income for 2003-4.
- The WHO's RBM Department has retained a much higher level of support from bilateral donors (see tab 'WHO 2003-4' in FundsRBMfinancialsituation 102.xls). Of the 16 donating between 1998-2002, 13 remain donors (with only Canada, Sweden and Switzerland no longer providing support). The UK is still the largest bilateral contributor to the Department with contributions of \$7 million in 2003 and \$2 million in 2004. The Department also has access to considerable funding from WHO's regular budget and received a total of \$9.07 million in 2003-4. As a result, the Department's total income for 2003 and 2004 is much higher than that of the Partnership - \$18.1 million and \$16.4 million respectively.
- The combined income for the Partnership and Department for 2003 and 2004 comes to \$23.7 million and \$22.2 million. This is similar to their combined income for both in 2002 (\$24.4 million) though less than the peaks of \$35.8 million and \$30.1 million in 2000 and 2001. The level of the UK's contribution is a major factor in explaining these changes – it contributed \$22.7 million in 2000 and \$15 million in 2001. Its support to both the Department and the Partnership in 2003-4 has been considerably lower.

### **3.3 Requirements and pledges**

- Since its establishment as a separate Partnership, RBM has had difficulty raising funds to meet estimated needs. Pledges to the 2004 budget were so low that the budget was divided between 2004 and 2005.
- The Secretariat has now requested \$26 million for 2006 and \$34.5 million for 2007. This would involve a substantial increase in funding from current levels.

- The Partnership received \$5.6 million in 2003, \$5.8 million in 2004 and has pledges of \$7.7 million for 2005. In fact, the Partnership was in a very difficult financial situation at the beginning of January 2005. It had only \$50,000 in cash plus funds set aside for four fixed contracts. The \$50,000 went down to approximately \$10,000 as the RBM Secretariat waited for pledged funding from DFID to arrive. It has sent urgent requests for funding to the European Commission, the USA and the Gates Foundation.

## 4 GLOBAL ALLIANCE FOR VACCINES AND IMMUNIZATION

### 4.1 Structure and purpose of GAVI

According to the GAVI website (<http://www.vaccinealliance.org/index.php>), the relationship between the broader world of immunization, GAVI and The Vaccine Fund can be seen as concentric circles, with The Vaccine Fund having the most narrow focus.

- Global immunization incorporates activities to support all aspects of immunization, including basic research on vaccines for the developing world, immunization programs, policies and vaccine development for industrialized countries, and implementation of accelerated disease control programs.
- GAVI provides a forum for strategy development, coordination and communication in support of priority immunization goals, and setting policies for the use of Vaccine Fund resources. GAVI partners contribute the technical and on-the-ground expertise to help expand the reach of immunization delivery systems, and to introduce priority new vaccines. In addition, GAVI partners coordinate 'downstream' R&D, establish tools and systems to promote sustainable financing, address the needs of middle-income countries, and help monitor and promote the accelerated disease control goals.
- The Vaccine Fund has the most focused job definition – increasing access to safe basic immunization and new and under-used vaccines in the 74 poorest countries (<US\$ 1000 GNP per capita) by providing financial support, vaccines and safety equipment to countries' health systems. By the middle of 2002, it is anticipated that a limited amount of Vaccine Fund resources will also be available to fill specific R&D gaps to accelerate development of near-term vaccine projects.

### 4.2 Donors

- Financial data for the period 1999-2000 to 2004 shows that for the first years of its existence (1999-2000 and 2001), GAVI had a substantial income of \$343.6 million and \$535.5 million (see GAVI.xls). This was mainly due to a \$750 million grant from the Gates Foundation being spread over the two years.



- The Gates Foundation has been the largest donor to GAVI by far with a total contribution of \$758.5 million (the second largest donor has been the US with \$218.73 million) (see tab 'Ranking' in GAVI.xls). The Gates Foundation has pledged a further \$450 million for the period 2005-2010.

### ***4.3 Requirements and Pledges***

- Although GAVI has set itself a rough target of raising \$400 million a year, which it roughly achieved in the 1999-2001 period, its income dropped to \$125 million in 2002 before recovering a little to reach almost \$196 million in 2004. This was mainly due to contributions from government donors - \$59.6 million from the US, \$40 million from Norway and \$25 million from the UK.
- For 2005, it has received pledges of \$325 million (including \$150 million from the Gates Foundation, \$65 million from the USA and \$47 million from Norway).
- According to a Vaccine Fund staff member, for 2006-2010, it estimates income at between \$305-\$310 million a year, which would mean that it would remain short of its target income of \$400 million a year.

### ***4.4 Commitments and Expenditure***

- GAVI has two programmes which involve multi-year funding commitments. The Immunization Services Support (ISS) programme involves 5-year commitments to developing countries while the Injection Safety (INS) programme involves 3-year commitments. For GAVI's commitments and disbursements to date by country, see tab 'Disbursed to countries' in GAVI.xls.
- GAVI's expenditure by year (see tab 'Expenditure' in GAVI.xls) shows that this has varied from \$196.24 million in 2002 and almost \$234 million in 2001 to \$367 million in 2003.

### ***4.5 Earmarking***

- Contributions to GAVI are not ear-marked – they are simply given to GAVI's general programme.