

2001 Genoa Compliance Report

Fighting the Spread of HIV/AIDS and other Infectious Diseases

Commitment:

At Okinawa last year, we pledged to make a quantum leap in the fight against infectious diseases and to break the vicious cycle between disease and poverty. To meet that commitment and to respond to the appeal of the UN General Assembly, we have launched with the UN Secretary-General a new Global Fund to fight HIV/AIDS, malaria and tuberculosis. We are determined to make the Fund operational before the end of the year. We have committed \$1.3 billion. The Fund will be a public-private partnership and we call on other countries, the private sector, foundations, and academic institutions to join with their own contributions - financially, in kind and through shared expertise. We welcome the further commitments already made amounting to some \$500 million.

Assessment:

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Country			
<i>Britain</i>			+1
<i>Canada</i>			+1
<i>France</i>			+1
<i>Germany</i>			+1
<i>Italy</i>			+1
<i>Japan</i>		0	
<i>Russia</i>			+1
<i>United States</i>		0	
<i>Overall</i>			+0.75

The Global Fund to Fight AIDS, Tuberculosis, and Malaria:

On 26 April, 2001, at the African Leaders Summit in Abuja, Nigeria, United Nations Secretary General Kofi Annan called for the creation of a multilaterally funded global fund for the purposes of fighting HIV/AIDS, Tuberculosis, and Malaria. Two months later, a special assembly of the UN was convened to address the issue of HIV/AIDS (June 25-27, 2001). The result of this session was the *Special Session Declaration of Commitment on HIV/AIDS*, which called for the appropriation of 7-10 billion a year to be governed under a non-United Nations board comprised of representatives from the public and private sector. The funding was to come from both the public and private sectors with approximately 90% of the total revenue coming from donor governments.

The fund has met with mixed success and has raised approximately US\$2 billion (<http://www.un.org/News/ossg/aids.htm>). After operating for just under one year, the fund has now begun distributing funds. On April 22-24 at the Mailman School of Public Health at Columbia University in New York, the fund executive met and committed a total of US\$378 million over two years to forty programs in 31 countries. (http://www.globalfundatm.org/journalists/journalists_pr.html)

Overall Compliance:

According to the commitment in the Genoa Communiqué, it was necessary to fulfil two conditions in order to receive a score of +1 for the G8 countries as a whole:

- a) The Global Health Fund was operational by December 31, 2001; and
- b) The pledge of \$1.3 billion US was fulfilled.

The Fund, which was launched at the Genoa Summit in July 2001, spent the first several months after its creation coordinating itself and did not have its first meeting of the Board of Directors until January 28-29, 2002, just missing the December 31, 2001 deadline. However, by April 2002, the Fund had reviewed applications and announced the first round of grants totaling \$378 million US to be allocated in 30 countries, across 40 projects, over a 2 year period. (*Washington Post*, April 29, 2002).

Originally, the Fund was expected to require \$7-10 billion US annually in order to be effective, however, the G8 member countries pledged \$1.3 billion US at Genoa. By May 2002, the fund had a total of almost \$2 billion US, of which over \$1.4 billion US came directly from the G8 member states (www.globalfundatm.org).

Individual Country Compliance Breakdown:

Britain: +1

According to World Bank GDP figures, Britain's US\$200 million guarantee to the Global Fund's US\$1.3 billion target is a significant contribution relative to that of the other G8 countries. Representing 6.65% of total GDP for the G8 countries for FY 2000, Britain's contribution is significantly higher than the amount forecasted. It is reported, however, that the grand total of US\$ 200 million is to be allocated to the Global Fund in increments over a five-year period.

www.unaids.org/whatsnew/others/un_special/Declaration020801_en.htm

The sum to be allocated to the Fund in the first year of operation has not been declared. Nevertheless, according to a framework of equitable contributions by the Health and Development Network, Britain's total pledge represents approximately 44% of an equitable pledge- a compliance accomplishment surpassed only by Italy with 57% and rivaled by Canada with 41% (*The Global Fund: Which Countries Owe How Much*, by Tim France, Gorik Ooms, and Bernard Rivers, April 2002, available at:

http://www.hdnet.org/UNGASS%20docs/GFATM/Global%20Fund%20Contributions%20Article%20_%2021%20April%202002.pdf).

Canada: +1

Based on figures provided by the World Bank, Canada was responsible for approximately 3.23% of the aggregate Gross Domestic Product of all G8 nations for FY 2000

(<http://www.worldbank.org/data/databytopic/GDP.pdf>). One would therefore expect Canada to be responsible for approximately three and a quarter percent of the total US\$1.3 billion commitment to the fund. Canada's pledge of US\$100 million represented 7.69% of the total amount pledged and, as such, more than double the 3.23% for which Canada was responsible. However, while the Canadian government touted its US\$100 million pledge as a significant and appropriate commitment to the global fund, it was much less widely reported that the sum was apparently allocated over a three-year period. This means that by the time the fund begins to allocate its grants (FY 2002), Canada will have committed somewhere in the order of US\$38 million. (<http://www.hdnet.org/UNGASS%20docs/GFATM/Global%20Fund%20Contributions%20Article%20%2021%20April%202002.pdf>).

Given that the annual budget for the fund was mandated to be between US\$7-10 billion, with approximately 90% of the funds coming from world governments, this contribution of approximately US\$38 million is well short of Canada's appropriate level of contribution. Indeed, the international human rights organization, Oxfam, has proposed that Canada's contribution to the global fund be about US\$291 million or almost C\$450 million per year - nine times what Canada has committed to date. Although the consensus seems to be that Canada would be required to make a greater contribution to the fund based on GDP levels, the Canadian government has nonetheless made a contribution, thereby supporting the fund and its efforts against infectious diseases.

France: +1

When weighted by France's market share of the G8 countries in terms of their 2000 GDP figures (www.worldbank.org), France's share of the \$1.3 billion US pledged in Genoa equals approximately US\$80 million. However, according to www.globalfundatm.org, France has pledged over US\$133 million to date, thereby exceeding its proportional GDP to the fund's contribution by over 50%.

Germany: +1

Germany announced on 13 July 2001, that it would earmark US\$135.4 million to the Global Fund (see www.un.org/News/press/docs/2001/20010713.g8.aid.htm). Accounting for 8.8% of total GDP for FY 2000, Germany's contribution to the US\$1.3 billion fund package exceeded the target amount calculated relative to GDP standings of the other G8 countries by approximately 18%. (<http://www.worldbank.org/data/databytopic/GDP.pdf>) However, world GDP standings and rankings on the Human Development Index (HDI) suggest that Germany's total pledge represents only 24% of an equitable contribution value (*The Global Fund: Which Countries Owe How Much*, by Tim France, Gorik Ooms, and Bernard Rivers, April 2002: <http://www.hdnet.org/UNGASS%20docs/GFATM/Global%20Fund%20Contributions%20Article%20%2021%20April%202002.pdf>). This suggests that Italy, Canada, France and the Britain rank ahead of Germany in equitable contribution standards. Only the pledges of the United States and Japan yield less equitable ratings.

Italy: +1

After having endorsed infectious diseases as a key Summit priority during the 2001 meeting in Genoa Italy, the Italian government has led the G8 nations in the fight against HIV/AIDS, Malaria and Tuberculosis. On July 21, 2001, the Italian Government committed US\$200 million to the global fund. This commitment was well over the approximate US\$66 million of funding relative to its GDP levels. Furthermore, the Italian Government has made more funding available for the global fund than any other G8 country (with the exception of the US), by providing US \$73 million to the fund for FY 2002. Moreover, Italy leads all other nations in terms of its relative contribution.

Japan: 0

Proportionally, Japan's GDP would suggest a contribution of approximately 23% of the \$1.3 billion US pledge, or an amount of US\$296 million. To date, the Fund has received pledges from the Japanese government totaling \$200 million US (www.unaids.org) or 35% short of its expected target value.

Russia: +1

On 20, July 2001, Russia pledged US\$19.2 million to the Global Fund to fight Aids, Tuberculosis, and Malaria (www.un.org/News/ossg/aids.htm). Of this total, an estimated US\$7 million was earmarked for distribution in FY 2002. (*The Global Fund: Which Countries Owe How Much*, by Tim France, Gorik Ooms, and Bernard Rivers, April 2002, available at: <http://www.hdnet.org/UNGASS%20docs/GFATM/Global%20Fund%20Contributions%20Article%20%2021%20April%202002.pdf>) Accounting for 1.18% of the total GDP- the lowest share within the G8 membership for FY 2000 - Russia's contribution fulfils its donation requirement of the total US\$1.3 billion target. (GDP figures for FY 2000 available at: <http://www.worldbank.org/data/databytopic/GDP.pdf>.)

According to a joint report by UNAIDS, UNICEF and WHO, Eastern Europe and Central Asia are currently experiencing an unprecedented 1300% increase in the prevalence of the HIV virus (*Coordinates 2002: Charting progress against AIDS, Tuberculosis, and Malaria, April 2002: www.unaids.org*). It is anticipated that Russia's need for financial support and program assistance to combat AIDS will only accelerate in the future as the country's population becomes increasingly burdened with the disease. In light of this prediction, Russia's equitable contribution should reflect an increased effort to promote and appropriate funding for the Global Fund through the G8 forum as well as internationally in order to move closer to the achievement of the annual needs-based funding objective of \$7-10 billion (US) proposed at the Genoa Summit.

United States: 0

Though making the largest pledge to the Global Aids Fund, the United States still lags behind in its compliance with the objectives set out in Genoa. In total, the United States has pledged US\$500 million to the global fund. This allocation was made in three separate commitments: 11 May 2001, 24 July 2001 and 28 January 2002 for US\$200, \$100, and \$200 million respectively. In doing so, the United States still fell short of the approximately US\$ 601.1 million for which it was responsible given its approximate 46.2% share of the G8's total GDP (GDP figures for FY 2000 taken from the World Bank: <http://www.worldbank.org/data/databytopic/GDP.pdf>)

However, the United States must be given some credit for making approximately half of those funds (US\$250 million) available to the fund for FY 2002. While this immediate payment is a step in the right direction, these funds only represent approximately 7% of the total (of the 7-10 billion annually) amount for which the United States should be responsible given the size of its GDP. It has recently been suggested that the US ought to be responsible for \$3 479 million annually (*The Global Fund: Which Countries Owe How Much*, by Tim France, Gorik Ooms, and Bernard Rivers, April 2002, available at <http://www.hdnet.org/UNGASS%20docs/GFATM/Global%20Fund%20Contributions%20Article%20%2021%20April%202002.pdf>). While this figure may be somewhat inflated, America's contribution of approximately one third of the world' economy (GDP figures taken from World Bank as above) should put America's annual contribution at approximately US\$3 billion. As such, these contributions represent a meager portion of their total responsibility.

Despite these grim figures, it must also be noted that the United States has made contributions beyond the scope of the global fund that factor into its overall compliance in less tangible ways. The United

States has budgeted for the distribution of an additional, non-fund related, US\$485 million bilateral aid through USAID for FY 2002. This represents a nearly 52% increase over the 2000 USAID budget of \$320 million and is more than double the FY 2000 budget of \$200 million.

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