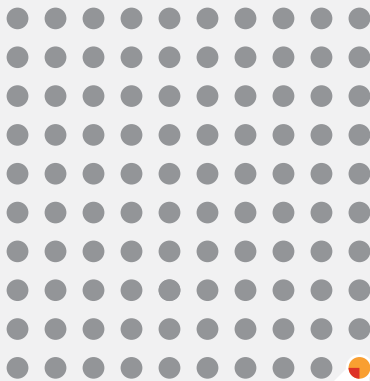


Total U.S. funds for foreign assistance

TOTAL BUDGET



1%

of the total of U.S. federal spending goes toward foreign assistance.



0.25%

of U.S. federal spending goes toward global health.

Source: U.S. Government



> *By challenging the status quo in how the world fights disease, the Global Fund represents an efficient and innovative model of U.S. health leadership and diplomacy.*

In 2002, the United States joined with countries across the world to create the Global Fund, a 21st century public-private partnership designed to accelerate the end of AIDS, tuberculosis (TB) and malaria as epidemics. The Global Fund has helped achieve extraordinary progress in the fight against these deadly diseases. By challenging the status quo in how the world fights disease, the Global Fund represents an efficient and innovative model of U.S. health leadership and diplomacy. U.S. investment in global health represents one of the few areas that has won consistent, bipartisan American support, or produced such concrete economic, security and humanitarian gains for the U.S. and the world.

Measurable, lifesaving impact at a fraction of the U.S. budget

Global health programming has expanded significantly over the last two decades, with the U.S. playing a leadership role. As Vice President Pence said during the 2008 reauthorization of the U.S. global AIDS program, “The United States has a moral obligation to lead the world in confronting the pandemic of HIV/AIDS.”¹

The impact of global health investments has been startling. Since 1990, the number of annual child deaths has been cut by more than one half. Approximately 18.2 million people are now receiving lifesaving AIDS treatment.² The malaria death rate among children under age 5 is down 69 percent since 2000.³ Efforts to diagnose and treat TB, a disease that has plagued humanity for centuries, have saved millions of lives in the same period.

Working closely with governments, the private sector and faith-based partners, the Global Fund has supported

programs that have saved 20 million lives since 2002.⁴ From 2017 to 2019, Global Fund-supported programs are expected to save an additional 8 million lives, avert 300 million more HIV/AIDS, TB and malaria infections, help build resilient and sustainable systems for health, and support future economic gains of up to \$290 billion.

This remarkable progress has brought us to a tipping point in efforts to end AIDS, TB and malaria as epidemics for good, but there is a real possibility of backsliding without steady investment to reach the finish line. Global health aid currently constitutes about a quarter of 1 percent of the U.S. federal budget,⁵ but the American public supports doing more; a 2016 Kaiser Family Foundation poll found that Americans’ support for foreign assistance increases when they learn how small a fraction of the budget these investments represent.⁶ Now is the time to invest to end these epidemics for good, or risk losing the crucial gains made to date.

A legacy of bipartisan support

U.S. investment in the Global Fund and global health has won bipartisan support across eight Congresses and two presidential administrations. Republican and Democratic policymakers agree that, together, investments in public-private partnerships like the Global Fund and bilateral programs like the President’s Emergency Plan for AIDS Relief (PEPFAR), the President’s Malaria Initiative (PMI) and USAID’s TB programs are among our greatest foreign policy successes. At a small fraction of the federal budget, the U.S. remains the Global Fund’s leading donor, providing one-third of funds pledged from governments to the Global Fund since its creation in 2002.⁷

A transformation in global health aid – results oriented, transparent, accountable

The Global Fund represents a new kind of funding approach that is transparent, results-oriented, and builds country

ownership for the future. As the world's largest public health financier, the Global Fund has zero tolerance for corruption or fraud. And, like the Millennial Challenge Corporation, the Global Fund requires evidence of results for continued support. Transparency and accountability are an

integral part of Global Fund operations, from the grant-making and procurement processes to the comprehensive financial data provided on the partnership's website. To ensure that lifesaving investments are as efficient and accountable as possible, the Board of the



\$ 290B

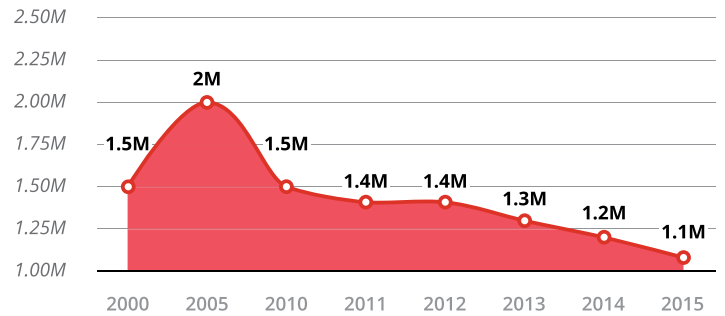
in future economic gains from 2017 to 2019 are expected from Global Fund-supported programs.



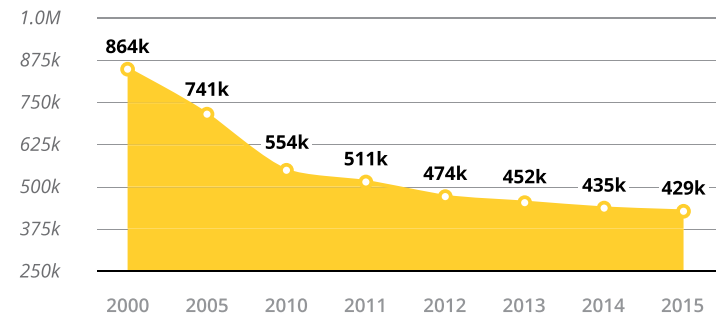
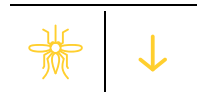
> The Global Fund and U.S. bilateral programs such as PEPFAR and PMI reinforce each other's work across the globe, working hand-in-hand to avoid duplication, increase transparency and financial efficiency, and scale up innovative programs.

Global Fund distributions, declining mortality rates

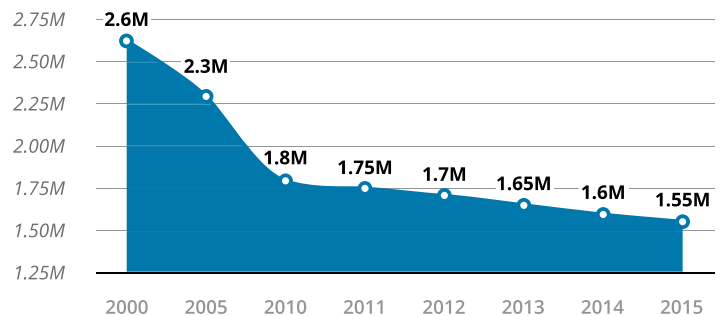
HIV/AIDS MORTALITY RATES



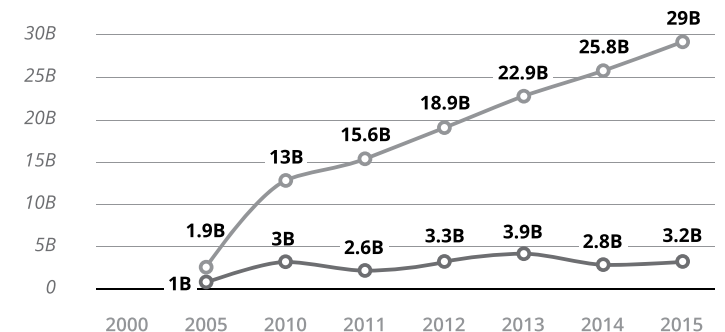
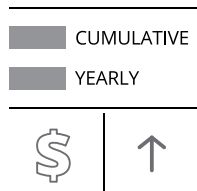
MALARIA MORTALITY RATES



TUBERCULOSIS MORTALITY RATES



GLOBAL FUND DISBURSMENTS



Sources: UNAIDS, World Health Organization and the Global Fund



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In 2016, the Global Fund achieved the highest possible transparency category in the annual Publish What You Fund Aid Transparency Index, ranking fifth among 46 international development donors.

Projected impact of U.S. portion of pledges to Global Fund

(2017–2019)

 **2.7M**

lives saved.

 **\$96.7B**

in economic gains.

 **100M**

new HIV, TB and malaria infections averted.

Source: Friends of the Global Fight, based on Global Fund projections

Global Fund also established the Office of the Inspector General (OIG). The OIG operates independently from the Global Fund Secretariat. It conducts its work through robust audits and investigations of all systems, processes, operations, functions and activities of the Global Fund and its supported programs. When an investigation identifies misspent funds, the Global Fund pursues recovery so no donor money is wasted or lost to fraud.

In 2016, the Global Fund achieved the highest possible transparency category in the annual Publish What You Fund Aid Transparency Index, ranking fifth among 46 international development donor institutions. Also in 2016, the United Kingdom's Department for International Development released a new Multilateral Development Review, awarding the Global Fund the highest possible rating for results, value for money, transparency and accountability, and overall organizational strength.⁹

The Global Fund and bilateral programs depend on each other for impact

The Global Fund and U.S. bilateral programs such as PEPFAR, PMI and USAID's TB programs reinforce each other's work across the globe, working hand-in-hand to avoid duplication, increase transparency¹⁰ and financial efficiency,¹¹ and scale up innovative programs. PEPFAR and USAID officials have said, "Our partnership with the Global Fund helps maximize the impact and efficiency of our bilateral investments targeting AIDS, tuberculosis, and malaria by enabling the United States to strategically deploy our resources... We can't have one without the other."¹²

In developing its Country Operational Plans, for example, PEPFAR takes into account each country's Global Fund grant programs, focusing PEPFAR funding on closing gaps or optimizing the impact of other programs. Similarly, PMI operates

only in countries that receive Global Fund support, with the aim of catalyzing synergies in malaria control financing. Notably, through PEPFAR, the U.S. government holds a permanent seat as a member of the Global Fund's Board, and has been actively involved in the partnership's grant development process.

These partnerships are working. As of January 2017, PEPFAR has reported that new HIV infection rates in Malawi and Zimbabwe have declined by 76 percent and 67 percent, respectively, and cite the Global Fund as responsible for a significant share of this progress.¹³

Delivering innovations in technology and programming

By supporting the development of new technologies, the Global Fund is helping to change the way global health programs work. The eMpower mobile app, for example, was developed as part of a collaboration among the Global Fund, IBM and HIV organizations to assist community outreach workers. By replacing paper reports with the app, the Global Fund has been able to speed up patient reporting for more than 1 million people in treatment and prevention programs. Additionally, the app uses images to help patients with limited literacy and includes multiple language settings to accommodate local dialects, all of which help to improve overall patient reporting and data quality. Due to the early success of the app, IBM and the Global fund are looking to identify other uses for it in the future.¹⁴

Furthermore, through its funding of South Africa's Right to Care project, the Global Fund has supported the development of a machine that dispenses antiretroviral drugs to people with HIV. A pilot scheme is currently underway to install units in rural and densely populated parts of South Africa that are far from a doctor or clinic.¹⁵ Through smartcard IDs, patients will



Global Fund case study:

Innovating global health with the Coca-Cola Company

The Global Fund is working closely with the private sector to bring corporate best practices to global health systems, streamlining processes to increase access to crucial medicines and supplies. For example, the Global Fund recently shared details on its successful partnership with the Coca-Cola Company:

The Global Fund is partnering with Coca-Cola, USAID and the Bill & Melinda Gates Foundation on Project Last Mile. This project helps African governments connect the dots among logistical challenges, from supply chain management to proper refrigeration and storage of essential medicines. After all, if people can easily access a bottle of Coke, shouldn't they be able to access lifesaving medicines as well?

This program has had significant impact. As of 2012, two years after launching in Tanzania, Project Last Mile supported the delivery of 120 essential medicines to 5,000 health facilities. Previously, medicines were only making it to 500 health facilities. Now, nearly 20 million people — nearly half the population of Tanzania — have access to those facilities. This public-private partnership shows just how many lives can be changed for the better with increased access to medicines.⁴¹

be able to withdraw three months of medication, and connect via webcam to an on-call pharmacist as needed.¹⁶ It is anticipated that the machine, created by South African developers with robotics from Germany, could be game-changer in HIV/AIDS treatment by easing obstacles to care such as distance to clinics and travel time.

In 2016, the Global Fund launched an important programmatic innovation with its new e-marketplace initiative, Wambo.org. The Global Fund designed Wambo.org to increase the organization's value for money by streamlining procurement processes and optimizing costs. This procurement innovation also supports greater country ownership by providing countries that are transitioning out of Global Fund financing with access to affordable commodities to prevent and treat HIV/AIDS, TB and malaria.

Wambo.org has huge potential cost savings, with projected net savings of approximately \$250 million expected over the next four years.¹⁷ The e-marketplace is also designed to drastically reduce wait times on procurement transactions. Placing an order used to take about three weeks.

Now, Wambo.org provides Global Fund-supported programs instantaneous access to comparisons on price, lead time and quantity across suppliers.¹⁸

Major returns on investment for America

U.S. investment in global health helps expand economic growth and trade, and strengthen U.S. security and diplomatic relations. While the primary goal of global health programs is to save lives, investing in efforts to end epidemics has considerable secondary benefits.

Benefits for economies and trade

The health gains associated with global health investments translate into profound economic returns in the form of averted future medical costs, enhanced productivity, and improved outcomes for children and future generations.¹⁹

Malaria-free countries have five times greater economic growth than countries with malaria,²⁰ and every dollar invested in malaria control yields \$40 in economic returns (\$60 in sub-Saharan Africa).²¹ Every dollar spent on TB generates \$30 through improved health and increased productivity.²² Just maintaining the current

U.S. commitment to the Global Fund alone could support at least \$96.7 billion in economic gains in coming years.²³

Disease is a burden on a family's finances and a nation's economic potential. The 20 million people²⁴ whose lives have been saved through Global Fund-supported programs live mainly in developing countries that are increasingly critical to the U.S. economy. Today, 95 percent of the world's consumers live outside U.S. borders. The poorest two-thirds of the global population represent \$5 trillion in purchasing power, and six of the 13 fastest growing economies in the world are located in Africa.²⁵

We do not need to look far back in history to see how this translates into American economic gains. Eleven of America's top 15 trading partners were once recipients of U.S. foreign aid,²⁶ including several European countries that the U.S. supported after World War II and South Korea, which received aid following the Korean War. Now, these countries serve as critical U.S. trading partners.²⁷

A full half of U.S. exports now go to developing countries²⁸ — over \$600 billion



➤ *The health gains associated with global health investments translate into profound economic returns, in the form of averted future medical costs, enhanced productivity, and improved outcomes for children and future generations.¹²*

annually and more than U.S. exports to China, Europe and Japan combined.²⁹ This represents an increase of more than 400 percent over the last 20 years.³⁰ And U.S. exports translate directly into American jobs – businesses that export goods provide one in every five U.S. jobs, and these exports are responsible for one in three domestic manufacturing jobs.³¹

Benefits for U.S. security and diplomacy

We have been reminded repeatedly by outbreaks such as Zika and Ebola that disease knows no borders. Containment, prevention and evidence-based treatment of epidemics are national security matters that we cannot afford to underestimate or underfund. U.S. investments in disease programs like the Global Fund support strengthened health infrastructure to help prevent future deadly threats like Ebola and Zika from spreading.

Furthermore, investing in global health is an essential part of U.S. diplomacy. Bipartisan analysis has found that global health investments support American diplomacy by generating goodwill, accelerating development, and reducing social and political instability in countries with a heavy burden of infectious diseases.³² According to surveys, public

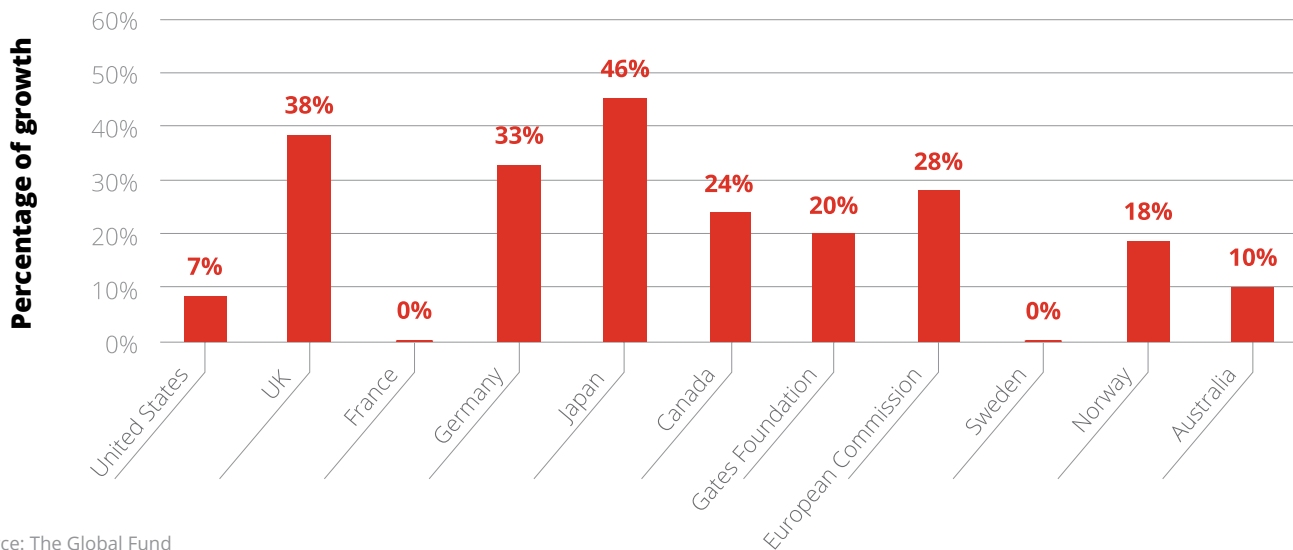
opinion regarding the U.S. improves in countries that receive U.S. health assistance.³³ Indeed, Africa, where PEPFAR and PMI investments have been concentrated, is the only region in the world where favorable opinions of the U.S. exceed the global average in every country surveyed.³⁴

Global health investments help make developing countries stronger, more stable and more prosperous, which in turn paves the way for these countries to solve their own problems, share responsibility for regional and global security challenges, and participate as trading partners with the U.S.

Driving increased investment from other donors and implementing countries themselves

At the September 2016 launch of the Global Fund’s Fifth Replenishment, the partnership’s 2017-2019 fundraising cycle, international donors pledged nearly \$13 billion to support Global Fund grants over the next three years. The Replenishment launch catalyzed unprecedented pledges of \$250 million from the private sector and faith-based organizations, more than double that

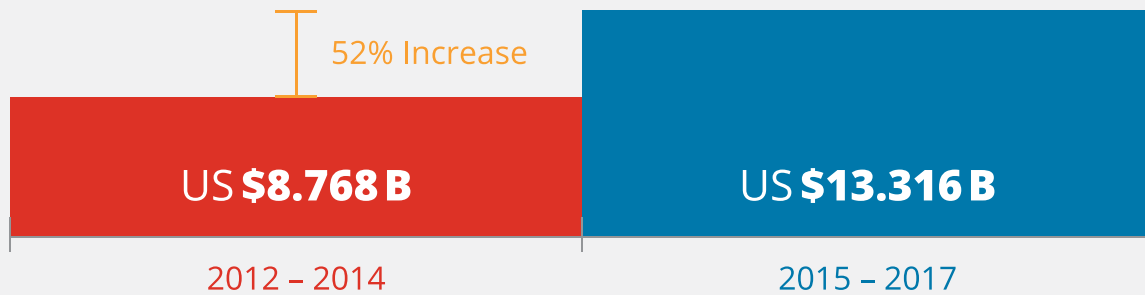
Significant Global Fund pledge increases by major donors (in local currency, 4th to 5th Replenishment)



Source: The Global Fund

Increasing domestic investment by Global Fund countries

(Countries' growing ownership of their own programs)



Source: The Global Fund



> *Through continued investment in the Global Fund, the U.S. is uniquely poised to leverage additional, exponential investments from across the globe.*

of the previous funding cycle,³⁵ and spurred major increases from leading donor governments, detailed on page 5.

The launch also brought new or increased pledges from several low- and middle-income countries, including a pledge of \$5 million from Kenya, and additional pledges from Benin, Côte d'Ivoire, Namibia, Nigeria, Senegal, South Africa, Togo and Zimbabwe.³⁶

Through continued investment in the Global Fund, the U.S. is uniquely poised to leverage additional, exponential investments from across the globe. The U.S. galvanizes this additional support by requiring a two-thirds match from other donors worldwide – for every \$1 the U.S. invests in the Global Fund, other countries and private sector partners must invest \$2 more.³⁷

The Global Fund further incentivizes recipient countries to increase ownership of their disease programs over time by requiring countries to meet at least a minimum threshold of spending on their own health programs, with threshold requirements varying based on a country's income status. Additionally, the Global Fund's co-financing incentive makes 15 percent of grant funding subject to withholding. This money

is contingent on a country's ability to surpass minimum thresholds, go beyond current spending levels, and demonstrate strategic, effective use of funds.³⁸

U.S. and Global Fund incentives are making a substantial difference. For example, African countries committed \$10.9 billion to health programs for 2015-2017.³⁹ This marks the first time that Africa has mobilized more domestic funding for health than foreign funding in the sector.⁴⁰

Conclusion

Remarkable progress has been made, but Global Fund and partner efforts to fight deadly epidemics remain underfunded. U.S. investment in global health represents just 0.25 percent of the federal budget, and has remained largely flat for four years. Amid the many controversies today, global health investment stands alone as a bipartisan priority among policymakers and the American people. The Global Fund is a proven, innovative and dynamic mechanism to drive the fight against AIDS, TB and malaria forward. By saving the lives of millions of men, women and children every year, the Global Fund partnership is one of the best strategic investments we can make in American security and prosperity.

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1634 Eye Street, NW
Suite 1100
Washington, DC 20006