

Summary September 6, 2005: Statement by the Presidency on behalf of the European Union concerning the EU Contribution to the Global Fund to fight HIV/AIDS, Tuberculosis and Malaria Replenishment Conference

1. WE, members of the European Union, note with growing concern the increasing incidence and prevalence of HIV/AIDS, tuberculosis and malaria, which account for six million deaths each year in the developing world. We recognise the urgent need to address the impact of the major communicable diseases through an integrated approach including prevention, treatment, care and research, and to fill the ever-increasing gap between what is provided and what is needed if we are to reach the Millennium Development Goals;
2. Against this background, in the Conclusions of the May 2005 Council¹, the European Union set out its revised policy on the three diseases on the basis of the new European Programme for Action to confront HIV/AIDS, malaria and tuberculosis through external action;
3. This Programme forms the basis of a continued, coherent and strong European Union response and action to confront the three diseases in partner countries, at national, regional and global levels, in partnership with other donors, and with global initiatives including; Roll-back Malaria and Stop TB, public-private partnerships and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM);
4. The European Union remains committed to supporting the Global Fund as one major mechanism for ongoing and future investment in fighting these three diseases, especially in poor countries. European Union Member States and the European Commission (EC) have been founding members of the GFATM since its inception in 2001; and the European Union is currently the Fund's largest donor, having contributed more than US\$ 2 billion, i.e. more than 50% of total pledges;²

¹ Doc. 9266/05

² Based on figures provided by GFATM as of 7 July 2005 (www.theglobalfund.org/en/files/pledges&contributions.xls).

EU pledges in US\$ (EC + Member States) are as follows: 2001-2 = \$465m; 2003 = \$417 m; 2004 = \$83 m; 2005 = \$714m (including contributions pledged and not yet disbursed).

EC pledges: 2001-2 = \$137m; 2003 = \$50m; 2004 = \$264m; 2005 = \$70m.

5. The European Union stresses the importance of moving to a replenishment mechanism as an essential element in achieving longer-term predictability of funding. In the context of the EU's commitment to a poverty focus in its assistance to developing countries, we encourage the GFATM to focus on continued support to the poorest countries. The European Union considers that the Global Fund Replenishment Conference represents a significant opportunity for Member States and the EC to reaffirm their commitment and leadership in the fight against HIV/AIDS, tuberculosis and malaria, and to advance towards the implementation of the Millennium Development Goals, to which the European Union remain strongly committed.
6. In November 2004, the Council recognised that access to sexual and reproductive health information, education, services and commodities, including condoms, is essential in achieving the Cairo/ICPD agenda as well as in the fight against HIV/AIDS required to achieve the Millennium Development Goals.³ Furthermore, in its Conclusions of June 2005⁴, the European Council asked the Commission and the Member States to enhance their cooperation and coordination in the fight against HIV/AIDS, tuberculosis and malaria and in the full implementation of the Cairo/ICPD + 10 agenda ensuring that Sexual and Reproductive Health and Rights are an essential component of HIV prevention and that HIV prevention and Sexual and Reproductive Health and Rights (SRHR) activities are integrated where appropriate⁵; and also stressed the importance of a substantial European contribution to the replenishment of the Global Fund to fight AIDS, Tuberculosis, and Malaria for 2006 and 2007, at the London Conference in September 2005. Our Member States, the Commission, and other donors are encouraged to ensure its full financing through the ongoing replenishment process.

Context for Replenishment Conference

7. The European Union fully assumes its responsibility for development, and has consistently deployed major efforts in the field of increased ODA. In May 2005⁶, the Council decided on a new collective European Union target of an ODA/GNI ratio of 0.56% 2010. That would result in an additional EUR 20 billion a year in ODA. Member States which have not yet achieved an ODA/GNI ratio of 0,51% undertake to attain that level, within their respective budget allocation processes, by 2010, while those that are already above that level undertake to continue their efforts. Member States which joined the EU after 2002, and have

³ Conclusions of 23 November (doc15158/04), reaffirmed by the European Council in December 2004 (doc16238/1/04 REV, p.21)

⁴ Doc. 10255/05, p. 25-27

⁵ The Council of the European Union noted the position of Malta as stated in Annex II of its conclusions of 24 May 2005 (doc. 9278/05, p. 9)

⁶ Conclusions of 24 May 2005 (doc. 9266/05, p. 4), reaffirmed by the European Council in June 2005 (doc. 10255/05, p. 7-8)

not yet achieved an ODA/GNI ratio of 0,17%, will endeavour to increase their ODA to attain that level, within their respective budget allocation processes, by 2010, while those that are already above that level undertake to continue their efforts; Member States undertake to achieve the target of an ODA/GNI ratio of 0,7% by 2015, while those which have achieved that target commit themselves to remaining above that target; Member States which joined the EU after 2002 will endeavour to increase their ODA/GNI ratio to 0,33% by 2015;

8. The European Union recognises the need to improve Aid Effectiveness, and calls upon the Global Fund to align itself fully with the principles set out in the March 2005 Paris Declaration [and the 2003 Rome Declaration on Harmonisation];
9. The European Union supports the Recommendations made by the Global Task Team on Improving AIDS Coordination among Multilateral Institutions and International Donors⁷; and reaffirms the support of European Union Member States in the Global Fund and other multilateral institutions in implementing these recommendations, and securing a more effective international architecture.
10. The European Union notes the Global Fund's commitment to implement the relevant Global Task Team recommendations in order to ensure fully its complementarity with other efforts, focusing on the activities in which it has clear comparative advantages; and recognises the need to support other agencies as part of an overall investment in the fight against the three diseases.

Addressing Performance

11. Increased donor funding must be accompanied by improved performance. In this context, the European Union emphasises the importance of developing a long-term strategy for the Global Fund to accompany the Replenishment process, welcomes the progress made in performance measurement and performance-based funding, and looks forward to discussing the report regarding the application of performance-based funding in weak systems and fragile States;
12. The European Union urges the Global Fund to follow up the agreement made in June 2005 at the Rome replenishment conference to further develop these performance indicators in line with overall indicators at country level whilst minimising the burden to recipient countries; and to agree targets that can be used to assess the performance of the Global Fund in time for the Mid-Term Review of the replenishment cycle in mid-2006;

⁷ The Final Report by the Global Task Team can be found at www.unaids.org/en/default.asp

13. In particular, the European Union emphasises the need for the Global Fund to strengthen country-level harmonization and alignment, to support the strengthening of health systems, to move progressively towards programme funding where appropriate, and to work for stronger integration with existing country-based planning and coordination mechanisms and development plans in line with the UNAIDS Three Ones Principles and their underlying concept.
14. The European Union recognises that the Global Fund's effectiveness requires investments in strong national programmes. Country ownership benefits from high quality assistance for capacity building and implementation provided by other partners, particularly multilateral institutions and bilateral partners, and the European Union notes the resource needs for technical assistance presented by UNAIDS and WHO.

Towards a Successful Replenishment

15. The European Union recalls the need for a successful funding outcome of the voluntary replenishment process, so that there are sufficient resources to launch new rounds in 2006 and 2007, and stresses the need to expedite processes for disbursement of allocated funds;
16. In this context, the European Union emphasises that to reach replenishment to fund these new rounds, and existing commitments from previous rounds, would require a significant resource increase by existing donors, including the EC and EU Member States, as well as by enlargement of the donors' base. The European Union therefore stresses the need to seek additional funding commitments from the private sector, middle-income countries and non-OECD countries.