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GLOBAL FUND WELCOMES GERMANY'S DECISION TO RENEW FUNDING

Geneva - The Global Fund to Fight AIDS, Tuberculosis and Malaria welcomes Germany's decision to release the first half of its 2011 contribution of Euro 200 million. The announcement came after a High-Level Independent Review Panel examining the financial oversight of the Global Fund's grant management submitted its interim report to the Global Fund's Board late last night.

The Global Fund will work with the Ministry of Economic Cooperation and Development to clarify the conditions that the Minister has placed on the release of the contribution. The Global Fund is bound by a basic principle that public donors cannot restrict their contributions to specific recipients, and the leadership of the organization will work with the Ministry to find the best way to align these elements.

Germany had suspended payment of its 2011 contribution to the Global Fund after media attention following the Global Fund's own findings that individuals in some recipient organizations had misused some of its funding in four countries.

However, the Global Fund is in the midst of a wide-ranging reform process started in mid-2010 which was presented at the Global Fund's donor conference in October 2010. Over the past year, the Global Fund has put in place a number of additional safeguards and strengthened its systems to prevent and detect misuse of its grants.

In February 2011, it also set up a High-Level Independent Review Panel on Fiduciary Controls and Oversight, co-chaired by His Excellency Festus Mogae, former President of Botswana, and Michael O. Leavitt, former US Health Secretary.

The High-Level Panel submitted its interim report on 30 June and will submit its final report to the Global Fund's Board in September 2011.

Germany is the fourth largest donor to the Global Fund, having pledged more than US\$ 2.1 billion since its creation in 2002. Of this, US\$ 857 million is for the period 2011-13.

The Global Fund is a unique, public-private partnership and international financing institution dedicated to attracting and disbursing additional resources to prevent and treat HIV and AIDS, TB and malaria. This partnership between governments, civil society, the private sector and affected communities represents an innovative approach to international health financing. The Global Fund's model is based on the concepts of country ownership and performance-based funding, which means that people in countries implement their own programs based on their priorities and the Global Fund provides financing on the condition that verifiable results are achieved. Since its creation in 2002, the Global Fund has become the main financier of programs to fight AIDS, TB and malaria, with approved funding of US\$ 21.7 billion for more than 600 programs in 150 countries (as of 31 December 2010). The Global Fund works in close collaboration with other bilateral and multilateral organizations to supplement existing efforts in dealing with the three diseases.

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