

## NSWP – GLOBAL FUND QUARTERLY UPDATE MARCH 2019.

In the first Quarter of 2019 the Global Fund activities were dominated by preparations for the 6<sup>th</sup> Replenishment meeting, to be [hosted by the French government in October 2019](#). The Global Fund will try and raise US\$14 billion, which is 15% or US\$1.8 billion more than was raised during the 5<sup>th</sup> replenishment period.

The [Investment Case](#), the document the Global Fund prepares to inform potential donors of the value of their investment in the Global Fund, highlights the Sustainable Development Goals (SDG) target of ending the epidemics by 2030. It also projects that there will be a 48% increase in domestic funding to respond to the three diseases. Germany recently announced they will increase their contribution to the Global Fund to EUR 40 million. However, the overall picture for sex workers (and other key populations) does not appear to be very encouraging. The US\$ 14 billion is not nearly enough and it is difficult to see that funding for rights-based sex work projects will increase. There is a high expectation of increased domestic funding, which is not encouraging as improvements in sex work project funding from domestic budgets are unlikely without considerable advocacy and changes in government policies and laws. If the US\$14 billion is not reached, the funds available for Catalytic Investment, a critical source of funding for sex work projects will be under severe pressure and may be cut or reduced. [Global Action for Gay Men's Health and Rights \(MPact\)](#), [Global Action for Trans\\* Equality \(GATE\)](#), [Global Network of People Living with HIV \(GNP+\)](#), [Global Network of Sex Work Projects \(NSWP\)](#), and the [International Network of People Who Use Drugs \(INPUD\)](#) recently [released a statement](#) calling for an even more ambitious target for replenishment given the challenges faced by key populations. We would encourage sex worker-led organisations to continue their advocacy for inclusion of domestic strategic plans and budgets and continue the call for external donor funding.

The issues of Catalytic Funding as well as the current Global Fund Allocation Methodology are being reviewed by the Global Fund Strategy Committee (SC), and a decision will be made at the 9<sup>th</sup> SC meeting and a recommendation placed before the Global Fund Board during its 41<sup>st</sup> Board Meeting on 15<sup>th</sup> – 16<sup>th</sup> May 2019.

The current allocation methodology uses disease burden and ability to pay, with some adjustments being made based on qualitative factors, which differ for each country. This has led to an increased investment in high burden, low income countries, with the result that less funding is available for countries that are outside of this. Less money for these countries could mean less funding to support sex work programmes, with the risk that they may be cut if resources are scarce. The Communities Delegation's position has been to push for the present indicator used to determine disease burden to take into account disease incidence as well as disease prevalence (the rate of new infections as well as the overall number of cases). This would be particularly useful for the EECA region, and to a lesser extent Asia and Latin America and the Caribbean, because it would better reflect the growing HIV epidemic among key populations, particularly among sex workers. However, this is not an easy option. It becomes a political issue if more funding is allocated to EECA for example, because not only is there strong political opposition to funding Middle-Income Countries, it might also mean less funding for Africa. This will be especially critical if the replenishment falls short of the already inadequate US\$14 Billion. If increased funding is allocated to EECA, funding will have to be reallocated from somewhere else, which may lead to disagreement.

With Catalytic Investment (CI) the discussion is mainly about the priorities, and the Community Delegation's focus is on preserving the Community Rights and Gender Strategic Initiative (CRG SI). There are many questions related to the proposed list of priorities but very few answers at the moment. Why is laboratory strengthening a focus? Why should Catalytic Investment funding be allocated to increase Private Sector engagement? What do they mean by South-to-South

support? Why is there increased funding to WHO? Why will the budget be increased for the Technical Evaluation Reference Group? Within Innovative Finance, why are Loan Buy Downs still included, something long opposed by the Communities Delegation? All these have the potential to decrease the amount available for the CRG SI, especially if the replenishment falls short of its US\$14 Billion target. The projections by the Global Fund Secretariat include all scenarios from no funding for Catalytic Investment, up to maintaining the current level of US\$800 million. There will be no increase and the focus for the Delegation will be on preserving the US\$15 million for CRG SI, whatever the replenishment outcome.

Another risk area for sex workers is the apparent lack of appetite within the Global Fund to continue with Multi-Country grants beyond what is already in the pipeline, primarily because of the high transaction costs involved. If multi-country grants are stopped this would reduce the options for funding of sex work projects in countries currently ineligible for a Global Fund grant, but who could be included in a multi-country grant. A successful replenishment could potentially see the appetite for multi-country grants return with a new system to reduce transaction costs.