RELEASE IN PART B5,B6

From: H < hrod17@clintonemail.com> Sent: Friday, January 20, 2012 8:00 AM To: 'millscd@state.gov' Subject: Re: Confidential: please do not forward What is status of this now? From: Mills, Cheryl D [mailto:MillsCD@state.gov] **Sent**: Sunday, January 15, 2012 08:33 PM To: H **Subject**: FW: Confidential: please do not forward fyi From: Goosby, Eric **Sent:** Sunday, January 15, 2012 12:59 PM To: Mills, Cheryl D; Nides, Thomas R; gayle smith); Quam, Lois E; Tom Frieden MD ; Raj Shah (USAID); Goldberg, Robert H; Ziemer, Tim (GH/AA); 'Nils.Daulaire Cc: Monahan, John T; Von Zinkernagel, Deborah J; 'Lorrie McHugh-Wytkind'; Martin, Julia C **Subject:** Confidential: please do not forward Importance: High Colleagues -Now that we have been back and forth with you around the GF severance issue I will intrude on your holiday

Now that we have been back and forth with you around the GF severance issue I will intrude on your holiday weekends (one more time) with another Global Fund issue. I wanted to allow time for a staged messaging strategy with the Hill and constituency groups. Until these groups are made aware of this administrative decision any dialogue could precipitate a skirmish...

For FY12, Congress appropriated \$1.05B for the US contribution to the Global Fund, which is \$250M less than the President's request of \$1.3B. Congress also eliminated the portion of the Global Fund contribution that had historically come from the Labor-HHS appropriations bill, and the entire contribution is now supported through the State and Foreign Operations bill. We have anticipated and planned for this scenario for the past two years (hoping we would not have to engage).

Providing less than our full request of \$1.3B would risk taking us off track for realizing the Administration's multi-year pledge to seek \$4 billion over FY11-13. In FY11, the Administration sought (and Congress appropriated) \$1.05B,

Moreover, the success of our bilateral programs, including PEPFAR, is deeply interconnected on the ground with programs financed by the Global Fund. We also are beginning to see implementation of the reforms we have been seeking in the Global Fund over the past 15 months, with the Board's recent approval of the Consolidated Transformation Plan and imminent appointment of a General Manager to lead the Fund's operations.

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As I said, given the sensitivity of this kind of action with appropriators, we plan to rollout this decision in the next week or two, but we intend to do so in a relatively low-key manner and in close collaboration with H. We also plan to brief and coordinate closely with outside stakeholders to help them understand our decision strongly supports the results of both our bilateral and multi-lateral programs. We will work closely with your staffs during this rollout so you have background materials.

I am as always available to you. for clarification or discussion

Eric