

Gates injects \$750M in troubled Global Fund

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Bill Gates poses next to a cut out of former British Prime Minister Tony Blair to promote the Global Fund's 10th anniversary at the World Economic Forum, WEF, in Davos, Thursday, Jan. 26, 2012. Gates announced a US dollar 750 million contribution to the Global Fund to fight AIDS, tuberculosis and malaria. (AP Photo/Anja Niedringhaus)

(AP) -- Bill Gates pledged \$750 million on Thursday to fight three killer diseases and rescue a beleaguered health fund whose financial losses have cost it donor support.

The Microsoft founder said he is lending his "credibility" to the Geneva-based Global Fund to Fight AIDS, Tuberculosis and Malaria by making the donation through a promissory note so the fund "can immediately use the money and save lives."

Gates' announcement at the [World Economic Forum](#) - a magnet for the

world's business and [political elites](#) who pushed for the fund's creation - was part of an orchestrated attempt by the fund to galvanize donors on its 10th anniversary.

"These are tough [economic times](#), but that is no excuse for cutting aid to the world's poorest," Gates told reporters.

He downplayed the \$23 billion fund's reported losses of tens of millions of dollars to corruption, misuse and undocumented spending that were highlighted in Associated Press stories, and said it is "disappointing" to see how people have focused on a "small misuse of funds."

A donor [backlash](#) over AP reports about poor financial monitoring and the fund's losses uncovered by its own internal [watchdog](#), the inspector general's office, prompted the organization last year to cancel more than \$1 billion in planned new spending mainly to expand existing programs. The fund's executive director, Dr. Michel Kazatchkine, this week also announced his resignation.

"The internal checks and balances have worked in every case," Gates said. But, he added, "If you're going to do business in Africa, you're going to have some losses."

The public-private fund has helped change the fortunes of many of the world's poor through its prevention and treatment programs among 150 countries, Gates said.

The fund says it has provided antiretroviral treatment to 3.3 million people, detected and treated 8.2 million people with tuberculosis, and given 230 million [bed nets](#) to families to prevent malaria over its 10-year existence. It says it also has helped prevent 1.3 million pregnant women from passing on HIV to their babies, cared for 5.6 million orphans and kept 7.7 million others alive.

"It's a breathtaking achievement," U2 rock star Bono said in a compilation of fund supporters' statements from the fund Thursday.

A former Japanese prime minister, Naoto Kan, told the news conference that his nation has contributed \$1.3 billion to the fund. Kan also said the fund's "transparency" must be maintained - which includes auditors and investigators in the inspector general's office uncovering and publicizing its own losses - as the fund goes through a series of reforms launched last year after the AP stories.

"The European debt crisis is shaking the world economy, which in turn seriously affects the fortunes of the Global Fund. But it doesn't mean the significance of the Global Fund is less," Kan said. "The corruption exists. It's regrettable, but that's reality."

Global Fund board Chairman Simon Bland said the fund is "transforming the way we do business" by streamlining the organization and will continue to "hold ourselves accountable" for what it spends.

"There will be no shying away from that transparency," Bland said.

Bland told AP he has hired the London accounting firm RSM Tenon Group to look into internal fund allegations that Kazatchkine, a French immunologist, improperly allocated several million dollars of fund money to benefit charity activities of France's first lady, Carla Bruni-Sarkozy, and firms run by her close friend.

Bland said the firm has produced a confidential report that he intends to make public which lends little support to the allegations. France is the second-largest contributor to the fund behind the United States, and Bruni-Sarkozy serves as one of its ambassadors.

Kazatchkine, who has been at odds with the inspector general's office

that has been uncovering the losses, resigned after the board decided to create a position of general manager to chart a new direction. The position was among a series of recommendations by a high-level panel created to address the problems raised in AP articles.

"I believe it is untenable that there are two heads in an organization and that's why I decided to leave," he told AP.

Kazatchkine said the [Global Fund](#) "can't be more transparent than we have been."

"We're by far the most transparent organization in development," he said at Davos. "Fighting corruption, yes, of course, and I have repeatedly said zero tolerance for corruption. Yet we also have to recognize that this business is not without risk. And risk, or the sense of risk, can also paralyze action."

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