



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

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FORECAST OF RESOURCES AVAILABLE IN 2004

Outline: This information paper prepared by the Secretariat describes the available resources of the Global Fund in 2004 based on current pledges and contributions. It is aimed to assist the board in its decision making on the approval of recommended proposals in Round 4.

Part 1: Background

1. The total amount available for the approval of Round 4 programs based on pledges and contributions received as of June 6, 2004 is US \$ 1,024 Million.
2. This amount includes all pledges made by non-US donors in 2004 and a US pledge equivalent to 33% of non-US pledges for 2004 and takes into account the operating expenses of the secretariat, resources required for the portion of Round 3 not approved in 2003 and a provision for successful programs of Round 1 eligible in 2004 for renewal for the years 3 – 5 of their program cycle. The details of the calculation are provided in Annex 1 as Estimate A.
3. Based on current experience of the Secretariat it can be assumed that not all but only about 85% of the Round 1 programs reaching month 20 of their first program phase will become eligible for renewal in 2004 and that there will be savings in the order of 5% in the grant signing process in 2004. This realistic but somewhat less conservative calculation would lead to a total amount available of US \$ 1,111 Million and is presented in Annex 1 as Estimate B.
4. The forecast of resources has to keep in mind that the realization of the US pledge is subject to conditions outlined in Section 202 of the United States Leadership Against HIV/AIDS, Tuberculosis and Malaria Act of 2004.

<u>Forecast of Funds Available in 2004</u>	US\$ million	
<u>Funding</u>		<u>Note</u>
Contributions for 2004		
Already contributed	658	
Pledges yet to be contributed	<u>815</u>	
Total contributions	1,473	(1)
Deductions:		
Operating expenses, less interest income	-33	(2)
Adjustment of funding available in 2003	<u>-14</u>	(3)
Funds available for grant approvals in 2004	1,426	

Grant Approvals

The portion of Round 3 not approved in 2003	-162	(4)
Provision for Phase 2 renewals in 2004	-240	(5)
Available for Round 4 and appeals - Estimate A	<u>1,024</u>	
Potential reduction on Phase 2 renewals if 15% are not renewed	36	(6)
Potential negotiated savings on approved grants yet to be signed	51	(7)
Available for Round 4 and appeals - Estimate B	<u>1,111</u>	

The above does not include any provision for additional 2004 pledges that may yet be received.

Notes

- (1) Includes all pledges for 2004 confirmed to date. Pledges in currencies other than the US dollar are expressed in USD at current exchange rates. Includes \$486m of the total 2004 US pledge of \$547m, being the portion equivalent to 33% of non-US pledges for 2004.
- (2) Budgeted operating expenses for 2004 (\$53m), minus projected interest income.
- (3) Reduction of the 2003 contribution estimate as a result exchange rate fluctuations after approval of the portion of Round 3 in 2003 (see note 4).
- (4) Round 3 approved proposals totalled \$646m. Of this, \$484m was approved in 2003 and \$162m in 2004.
- (5) The total Phase 2 amount of Round 1 grants is \$961m; provision is made for \$240m of this being approved in 2004 in respect of grants which will have completed 20 months of program implementation by the end of 2004.
- (6) The provision for Phase 2 renewals in 2004 will be reduced by this amount if 15% of the grants eligible for renewal do not proceed to Phase 2.
- (7) Potential 5% reduction to approved amounts negotiated prior to signing grant agreement (to date, 6.8%).