



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

**Ninth Board Meeting
Arusha, 18-19 November 2004**

GF/B9/12

FORECAST OF RESOURCES AVAILABLE IN 2005

Outline: This information paper prepared by the Secretariat describes the available resources of the Global Fund in 2005 based on current confirmed pledges and estimated expenditures.

It also includes an estimate of expected contributions based on the experience in previous years.

Part 1: Background

1. In Part 2 below please find the Financial Forecast for 2005 which has been reviewed by the Resource Mobilization and Communication Committee. The total confirmed amount of resources available for 2005 is US\$ 1,095 Million. This includes US\$ 884 Million in confirmed pledges, US\$ 181 Million carried forward from unutilized funds in 2004 and an estimated investment income of US\$ 30 Million.
2. The expenditure in 2005 includes a provision for operating expenses of the Secretariat of US\$ 70 Million, and resources required for successful programs of Round 1 -3 eligible in 2005 for renewal for the years 3 – 5 of their program cycle of US\$ 1,310 Million.
3. The forecast of resources has to take into account that the calculation of the US contribution for 2004 has not yet been finalized and is subject to any applicable conditions contained in US law.
4. Taking into consideration the total amount of confirmed resources there is currently a shortfall of US\$ 285 Million to cover the expected expenditure in 2005.
5. Based on the experience from previous years, pledges for 2005 as currently known could be expected to increase. On October 10, 2003 pledges for 2004 totaled US\$ 856 Million. Actual contributions received in 2004 and as forecasted for the remainder of the year indicates an increase of 80%. An increase of 80% of the current amount pledged for 2005 (US \$ 884 Million) would result in actual contributions of about US\$ 1,590 Million.

Part 2: Financial Forecast

The Global Fund

20 October 2004

Financial Forecast (prior to new pledges)

US\$ millions	Note	2002	2003	2004	2005	2006
Funding						
Contributions						
Contributed		956	933	1,293		
Pledged, not yet contributed	1			246	884	671
Total Contributions		956	933	1,539	884	671
Funds available from prior year			340	(26)	181	-
Investment income		10	28	24	30	30
less: Operating expenses		(13)	(33)	(50)	(70)	(90)
(A) Funding available for grants		953	1,268	1,487	1,025	611
Grant Approvals						
Phase I						
Round 1 (phase I)	2	613	(56)			
Round 2 (phase I)			866	(10)		
Round 3 (phase I)			484	157		
Round 4 (phase I)				968		
Appeals	3			71		
Phase II						
Phase I extensions	4			30		
ACT reprogramming				90		
Round 1 (phase II)	5				624	75
Round 2 (phase II)	5				685	306
Round 3 (phase II)	5				1	777
Round 4 (phase II)	5				-	1,503
(B) Total grant approvals, prior to new Rounds		613	1,294	1,306	1,310	2,661
(A-B) Funds carried forward (available for new Rounds)		340	(26)	181	-	-
(A-B) Additional pledges needed -- prior to new Rounds					285	2,050
					-- if one new Round* in 2005	1,285
					-- if two new Rounds* in 2005	2,285

*(Assuming each new Round totals \$1 billion for Phase I)

Notes

- Contributions for 2004 anticipate a US contribution of \$460m.
- "Phase I" is the initial two-year period of an approved grant proposal for which funding has been committed.
- Provision for appeals recommended to the Board for approval, pending Board consideration.
- "Phase II" is the remainder of the approved grant proposal after Phase I. Renewal of grants into Phase II is contingent on grant performance, availability of funds and approval by the Fund.
- Estimate of renewal amounts falling due in the year, assuming a renewal rate of 85% by monetary value. Assumed that all renewals are approved 20 months after first disbursement. Subject to approval of individual renewal requests.