



Investing in our future

# The Global Fund

To Fight AIDS, Tuberculosis and Malaria

**Eleventh Board Meeting  
Geneva, 28-30 September 2005**

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**GF/B11/12**

## **FUNDS AVAILABLE FOR ROUND 5**

**Outline:** This report presents a forecast of the funds available for Round 5 based on pledges for 2005 as known at 15 September 2005 and estimated Phase 2 renewals in 2005. An updated forecast will be provided at the Eleventh Board meeting.

## Part 1: Overview of Funds Available

The table below summarizes the detailed forecast set out in Part 2:

<b>Funds Available for Round 5</b>		
<b>Forecast at 15 September 2005</b>		<b>US\$ millions</b>
<b>Total funds available in 2005:</b>		
Contributions pledged to date for 2005	1,438	
Funds available from 2004 contributions	197	
Adjustments to grants approved before 2005	31	
	<u>1,666</u>	1.7bn
<b>less:</b>		
<b>Commitments in 2005 before Round 5: (projected)</b>		
Phase II renewals in 2005 (see details below)	1,246	
Operating expenses, less investment income	9	
	<u>1,255</u>	1.3bn
<b>Funds available for Round 5 before any additional pledges for 2005</b>	<b>411</b>	<b>\$0.4bn</b>
<b>Round 5: Value of TRP-recommended proposals</b>	<u>726</u>	0.7bn
Additional pledges needed	<u>315</u>	0.3bn
The forecast assumes that pledges will be honored and incorporates estimates regarding certain aspects of commitments.		

A significant element in the computation of funds available for Round 5 is the provision for Phase 2 renewals in 2005, as detailed below.

<b>Provision for Phase II Renewals in 2005 - details</b>		<b>US\$ millions</b>
<u>Already approved/recommended:</u>		
Approved by the Board through August 2005		614
Recommended for approval in September 2005		210
		<u>824</u>
<u>Provision for further approvals in 2005:</u>		
Renewal requests (3) pending Board re-consideration	72	
Anticipated renewal requests, not yet considered	566	
Total amount eligible for Phase II consideration	638	
less: Assumed to be discontinued/reduced: 15%	(96)	
Estimated further renewals, assuming an 85% renewal rate	542	
Total projected Phase II amounts approved in 2005	1,366	
less: Provided for in 2004	(120)	
<b>Provision for Renewals in 2005</b>	<b>1,246</b>	

The actual amount of Phase 2 renewals in 2005 will be influenced by:

- The amount of renewal requests that will be rejected or reduced (assumed at 15%).
- Board decisions on three renewal requests before the Board for reconsideration.
- Any delays in making renewal requests: the forecast assumes that the Secretariat will consider the renewal request 20 months after the start of the grant program.

## Part 2: Detailed Forecast

The table below details the funding available and grants approved in each year since inception of the Global Fund, including as forecast for 2005.

<b>The Global Fund</b>		15 September 2005			
<b>Financial Forecast (prior to new pledges)</b>		US\$ millions			
	<u>Notes</u>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Funding</b>					
Contributed		957	936	1,528	922
Pledged, not yet contributed	1				516
<b>Total Contributions</b>		<b>957</b>	<b>936</b>	<b>1,528</b>	<b>1,438</b>
Funds available from prior year			341	(21)	197
Investment income		10	28	34	57
less: Operating expenses		(13)	(33)	(43)	(66)
<b>(A) Funding available for grants</b>		<b>954</b>	<b>1,273</b>	<b>1,497</b>	<b>1,626</b>
<b>Grant Approvals</b>					
<b>Phase I</b>					
	2				
Round 1 (phase I)		613	(56)	(2)	13
Round 2 (phase I)			866	(7)	(4)
Round 3 (phase I)			484	151	(20)
Round 4 (phase I)				1,038	(20)
		<u>Phase I</u>	<u>613</u>	<u>1,294</u>	<u>1,180</u>
					(31)
<b>Phase II renewals</b>					
	2				
Phase I extensions & ACT reprogramming				120	(120)
Round 1 (phase II)					787
Round 2 (phase II)					578
Round 3 (phase II)					1
		<u>Phase II</u>		<u>120</u>	<u>1,246</u>
<b>(B) Total Grant Approvals</b>		<b>613</b>	<b>1,294</b>	<b>1,300</b>	<b>1,215</b>
<b>(A-B) Available for following year</b>		<b>341</b>	<b>(21)</b>	<b>197</b>	
<b>Available for Round 5</b>					<b>411</b>
<b>Notes</b>					
1 Contributions anticipate a US contribution of \$435m for 2005 which has not yet been finalized and is subject to any applicable conditions of US law.					
2 "Phase I" is the initial two-year period of an approved grant proposal. "Phase II" is the remainder of the approved grant proposal after Phase I, typically years 3 to 5. Renewal of grants for Phase II is contingent on grant performance, availability of funds and approval by the Fund.					

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