



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

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Information Only**

FORECAST OF RESOURCES AVAILABLE IN 2006

Outline: This paper informs the Board of the resources forecast to be available in 2006 based on confirmed pledges and estimated expenditures.

Part 1: Forecast

- 1 The table on page 3 sets out the forecast, which indicates that:
 - a. Funds of US\$1,917 million are expected to be available in 2006 (before any new pledges) to meet grant needs of US\$1,865 million. The grant needs comprise Phase 2 renewals in 2006 and the remainder of Round 5 – those TRP-recommended proposals that could not be funded in 2005. This will leave US\$52 million available towards any appeals that may be approved for funding.
 - b. Additional resources are now available in 2005 sufficient to fund further tranches of Round 5 proposals in the amount of US\$278 million, as explained in note 4 to the table below. This will fund the remainder of proposals in Category 2A and leave US\$108 million of Round 5 (all of Category 2B) to be funded in 2006, which is included in the need for that year.
 - c. Funds remaining at the end of 2005, US\$42 million, are included in the funds available for 2006. This \$42 million is insufficient to fund (in 2005) the next ranking group of proposals, being those with a composite index of 8 within Category 2B, for which an additional US\$66 million would be required.
 - d. The remainder of Round 5 (US\$108 million) that is awaiting 2006 resources can be funded once donors declare the precise annual split of those pledges made for the biennium 2006-2007 (see note 2). This is expected to be in January 2006 (by which time some additional pledges are also likely to have been confirmed).
 - e. Based on currently confirmed pledges for 2006, no significant funds are forecast to be available for new rounds in 2006 (and 2007), or for continuation of treatment after the cessation of current grants.

Note: This revised forecast reflects the results of the November session of the Phase 2 Review Panel, with some further renewals that had been provided for in 2005 now postponed to 2006 (see also note 6 to the table below).

Financial Forecast (prior to pledges not yet confirmed)

US\$ millions

Note	2002	2003	2004	2005	2006	2007
Funding						
	957	936	1,528	1,300		
1				96	1,490	1,267
2					430	431
	957	936	1,528	1,396	1,920	1,698
		341	(21)	197	42	
	10	28	34	33	45	28
	(13)	(33)	(43)	(63)	(90)	(95)
(A) Funding Available for Grants	954	1,273	1,497	1,563	1,917	1,631
Grant Approvals						
Phase 1						
3	613	(56)	(2)	13		
		866	(7)	(6)		
		484	151	(21)		
			1,038	(24)		
				385		
4				236		
					108	
	Phase 1	613	1,294	1,180	584	108
Phase 2 renewals						
5			120	(120)		
				715	91	3
				341	616	39
				1	660	58
					585	1,093
						166
					1,952	1,359
6					(195)	195
	Phase 2		120	937	1,757	1,554
(B) Total Grant Approvals	613	1,294	1,300	1,521	1,865	1,554
(A-B) Carried over to following year Available for appeals and new rounds	341	(21)	197	42	52	77

(Before considering appeals and new rounds)

Notes

- Includes only confirmed pledges; further pledges are expected in 2006 and 2007. Includes a US pledge of \$450m for 2006 which may be increased and which is subject to any applicable conditions of US law.
- Includes pledges for the biennium 2006-2007, the annual allocation of which has not yet been announced by the donors. Assumed that 50% will be allocated to 2006.
- "Phase 1" is the initial two-year period of an approved grant proposal.
- Represents the remaining TRP-approved proposals in Category 2A, with composite index ratings of 5, 4 and 3, which rank next for Round 5 funding. (Subsequent to the approval of higher-ranking proposals in September 2005, additional funding has become available in 2005 as a result of the postponement of some Phase 2 renewal decisions from 2005 to 2006 -- see note 6.)
- "Phase 2" is the remainder of the approved grant proposal after Phase 1, typically years 3 to 5. Renewal of grants for Phase 2 is contingent on grant performance, availability of funds and approval by the Fund. Assumed that 85% (by monetary value) of grants are renewed.
- Some Phase 2 renewal requests are considered for approval later than the presumed 20 months after the program start. Of the grants eligible for renewal in 2005, 26% (by monetary value) will not be considered for approval until 2006 (because of late submission or delays arising from clarifications). With regard to grants eligible for renewal in 2006, the postponement element is (conservatively) assumed at 10%.

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