

ANNUAL REPORT 2008

OUTLINE:

This document presents the Global Fund Annual Report 2008 for approval by the Board.

Decision Point 1: Approval of Annual Report

The Board approves the Annual Report as presented in GF/B19/11.

This decision does not have material budgetary implications.



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

ANNUAL REPORT 2008

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GROW | ADAPT | INNOVATE

A NEW ERA
FOR THE
GLOBAL FUND

MESSAGE FROM THE EXECUTIVE DIRECTOR

2008 represented a defining moment in the history of the Global Fund, with the implementation of a new Secretariat structure and its move to becoming an administratively autonomous international financing institution. The year was also marked by a high level of activity, innovation and growth that reflects a dynamic organization which is effectively managing its transition from adolescence to adulthood.

The programs we support in country are continuing to reach and exceed targets, deliver strong and sustainable results and contribute significantly toward the realization of the Millennium Development Goals. The success of Round 8 provides great hope for people in need of prevention and lifesaving treatment and is an accomplishment in which all members of the Global Fund partnership – Board members, implementing countries, donors and staff – can take considerable pride.

At the same time as the Global Fund contributes to building demand, it is delivering and growing. Disbursements again reached a record level in 2008. Major new initiatives affecting the Global Fund's architecture and business model are now in advanced stages of development. New staff members are bringing an infusion of talent and energy into the Global Fund to complement the existing staff. And the Five-Year Evaluation is yielding important insights into the partnership model and the Global Fund's impact in improving health outcomes.

All of this has been taking place in a challenging economic context, filled with fear and uncertainty. Although donors face difficult decisions regarding their levels of development assistance, the current global financial crisis provides no excuse for the world to resign itself to poverty and disease. On the contrary, it presents an opportunity to highlight the need for more, not less, public and private development aid in the field of health. This is because the unprecedented level of mobilization for the health of the poor in the past few years is producing results. Scaling back these efforts would jeopardize the advances we have observed and place at risk the critical investments made so far.

The crisis also highlights why equity should feature more prominently in debates about development aid, including inequities in access to health care and the need to reduce such inequities within and between countries. As the report of the World Health Organization (WHO) Commission on Social Determinants of Health makes clear, it is not certain

that economic growth related to globalization has actually accelerated progress toward the Millennium Development Goals. In many countries, the correlation between growth and poverty reduction has been negatively affected by substantial increases in income inequality and inequities in wellbeing, including in health. The Global Fund's work to improve the health of the poor is therefore more important during a time of economic downturn than ever.

Investing in health and fighting disease represent a source of hope for those in the world who are most in need, as well as the rather consistent possibility of "good news," even in turbulent times. Through its work, the Global Fund is providing some reassurance that – with what we are now coming to see as relatively small investments – returns can be measured in terms of human life.

PROF. MICHEL D. KAZATCHKINE
EXECUTIVE DIRECTOR

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MESSAGE FROM THE CHAIR AND VICE-CHAIR OF THE BOARD

The Global Fund to Fight AIDS, Tuberculosis and Malaria was created seven years ago to invest large amounts of money into programs aimed at delivering prevention, treatment and care services to people affected by three of the world's deadliest diseases, which together kill five million people every year and put a brake on economic and social development in large parts of the world.

In April 2007, the Global Fund Board and the G8 endorsed an annual resource target for the Global Fund of up to US\$ 8 billion, contingent on high-quality demand being present from countries for bold and technically sound programs to take to scale efforts to tackle these three diseases and strengthen overall health systems.

We are pleased to report that our goals of achieving high-quality demand have been reached. In November 2008, the Board approved Round 8 – the largest funding round to date – worth a two-year total of US\$ 2.75 billion. Our most recent round of financing includes an unprecedented amount for malaria as a result of countries submitting ambitious, technically sound proposals to achieve universal coverage of essential malaria interventions.

In total, Round 8 resulted in 94 successful proposals from 68 countries; 38 percent of funding is dedicated to HIV/AIDS, 11 percent to TB and 51 percent to malaria. Funding for these malaria programs will help close the bed-net gap (providing 100 million additional nets) in order to reach the UN 2010 goal of universal coverage of at-risk populations, as well as increase the availability of effective malaria drugs and strengthen sustainable malaria services in many high-burden countries.

The Global Fund model is working. It is channeling large amounts of money to countries to dramatically scale up programs to achieve the health-related Millennium Development Goals. The Global Fund is entering a period of dramatic success and scale-up. At the same time, the world is facing new challenges due to the global financial crisis.

The Global Fund is not immune to these challenges. In times of economic crisis, developing countries are often hit the hardest. While the world is focused on rebuilding global financial systems, we must not let that distract from our collective goals of improving the health and wellbeing of people affected by the world's deadliest diseases. Investments in AIDS, tuberculosis (TB), and malaria are essential to the wellbeing of nations. In this time of economic crisis, development investments must be directed into proven returns, and we are confident that the Global Fund is the best bet, with its results-driven funding, transparency, and accountability.

2009 will be an exciting year for the Global Fund. We're focusing more on how we contribute to broader health systems strengthening by launching national strategy applications. We're thinking about how our programs improve the lives of women, girls and other vulnerable groups by implementing a gender strategy. And, from 1 January 2009, we've become more efficient internally by taking on the administrative functions which were previously provided by WHO.

We remain steadfast in our commitment to work together in partnership to accelerate our response in the fight against AIDS, TB and malaria and to continue to make a difference in the lives of millions of patients, health workers and caregivers around the world.

RAJAT GUPTA
CHAIR OF THE BOARD
SENIOR PARTNER WORLDWIDE
MCKINSEY AND COMPANY

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ELIZABETH MATAKA
VICE-CHAIR OF THE BOARD
EXECUTIVE DIRECTOR
ZAMBIA NATIONAL AIDS NETWORK

THE YEAR IN BRIEF

2008

In the year 2008, the Global Fund made significant progress toward realizing its vision of a world free of the burden of AIDS, TB and malaria. Advancements occurred throughout the organization, which saw major growth in demand for its resources, the number of grants in its portfolio and the results achieved by the programs it supports to fight the three diseases. Year-end results show that countries have continued to expand activities considerably. Since the end of 2007, the number of people receiving anti-retroviral (ARV) treatment through Global Fund-supported programs has increased by 43 percent to 2 million, while the number receiving treatment for TB increased by 39 percent to 4.6 million. The number of insecticide-treated bed nets distributed for the prevention of malaria increased by 54 percent to 70 million. The continued and notable growth in these three indicators over the past two years shows that there has been a clear acceleration in the scale-up of these key interventions and that the Global Fund's objective of making a "sustainable and significant" contribution to the achievement of the Millennium Development Goals is actually being accomplished.

The Global Fund's eighth funding round (which was approved in November 2008) marked an exceptional expression of increase in demand for Global Fund resources. The larger and higher-quality proposals submitted in Round 8 signaled the increasing confidence of countries in

ADVANCEMENTS OCCURRED THROUGHOUT THE ORGANIZATION, WHICH SAW MAJOR GROWTH IN DEMAND FOR ITS RESOURCES, THE NUMBER OF GRANTS IN ITS PORTFOLIO AND THE RESULTS ACHIEVED BY THE PROGRAMS IT SUPPORTS TO FIGHT THE THREE DISEASES.

applying for Global Fund financing to scale up national disease programs, and was consistent with the Global Fund's strategy of significantly building demand. Round 8 was also a clear demonstration of the success of the Global Fund's partnership model. The roadshows held by the Secretariat and its partner agencies; bilateral and multilateral support for Country Coordinating Mechanisms;

technical assistance provided by the Joint United Nations Program on AIDS (UNAIDS), the Stop TB Partnership, Roll Back Malaria, WHO and bilaterals, along with financing by the Bill and Melinda Gates Foundation and the Open Society Institute to support country teams, all contributed to making Round 8 a success. The 94 new proposals approved in Round 8 are worth US\$ 2.75 billion over a two-year period, bringing the value of the Global Fund's total portfolio to more than US\$ 15 billion, with grants in 140 countries.

In 2008, the panel that makes recommendations to the Board about renewal of grants for the second phase of their lifecycle (years three to five) made "Go" or "Conditional Go" recommendations for all 56 grants reviewed. A total of 60 Phase 2 agreements were signed in 2008 for a total value of US\$ 1.04 billion. Additionally, of the 63 grants reviewed for Rolling Continuation Channel eligibility in 2008, 26 (41 percent) qualified. This qualification rate was 11 percent higher than in 2007.

HIGHLIGHTS

Annual disbursements to grant recipients continue to increase with successively larger funding rounds and are expected to increase substantially in 2009 and 2010 as funds are disbursed to recipients of Round 8 grants. In 2008, nearly US\$ 2.3 billion was disbursed, amounting to xx percent of reaching the 2008 target of US\$ 2.2 billion.

The demand-driven model of the Global Fund means that funding is in line with country needs and priorities. In practice, this has meant that investment has followed need. Around 68 percent of Global Fund investments are in low-income countries, with a further 25 percent in lower-middle-income countries. In Rounds 1 through 8, around 60 percent of the approved funds were for programs in sub-Saharan African countries.

In addition, the Global Fund is one of the largest financiers of health systems in the world today, with an estimated 35 percent or about US\$ 4 billion of total approved financing to date supporting key health systems components. The Global Fund's innovative approach has enabled countries to specifically request cross-cutting health systems strengthening components in their proposals, with US\$ 186 million approved in Round 7 and a further US\$ 283 million approved in Round 8. The predominant areas in which cross-cutting support was requested in Round 8 were for health workforce recruitment and retention; strengthening information

systems; supply chain management and supporting regional and community-level service delivery. Partnerships are bringing more attention to health systems strengthening. The Global Fund has been an active participant in the International Health Partnership (IHP), which is playing a valuable role in promoting dialogue about health systems financing.

In 2008, the Global Fund further consolidated and expanded its leadership role in innovative financing initiatives for health and development. In particular, synergies with UNITAID, an international drug purchase facility funded through levies on international air tickets, have been strengthened with the approval of a joint Roadmap, detailing complimentary areas of collaboration. Progress was also made in the Global Fund's Debt2Health initiative. In November, 2008, an agreement for EUR 40 million was signed between Germany and Pakistan, resulting in a EUR 20 million investment by Pakistan in the health sector.

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ANNUAL DISBURSEMENTS TO GRANT RECIPIENTS CONTINUE TO INCREASE WITH SUCCESSIVELY LARGER FUNDING ROUNDS AND ARE EXPECTED TO INCREASE SUBSTANTIALLY IN 2009 AND 2010 AS FUNDS ARE DISBURSED TO RECIPIENTS OF ROUND 8 GRANTS.

STATISTICS

BY DECEMBER 2008, 3.5 MILLION PEOPLE WHO OTHERWISE WOULD HAVE DIED OF AIDS, TB OR MALARIA OVER THE PAST FIVE YEARS WERE ALIVE AS A RESULT OF THE INTERVENTIONS DELIVERED BY THE GLOBAL FUND.

Contributions to the Global Fund for 2008 amounted to US\$ 3.1 billion (including pledges for 2008 due to be received in 2009). This reflects an increase of 13 percent over the previous year and brings the total of contributions for all years since the Fund's inception through 2008, to US\$ 12.8 billion.

In 2008, 154 grants and grant renewals were signed, reaching a total of 900 grants and grant renewals signed since the Global Fund's inception.

Total approved grants reached US\$ 14.8 billion by December 31, 2008, of which US\$ 2.75 billion were for round 8.

Private sector contributions for 2008 accounted for 6.6 percent of all contributions received for 2008.

The Global Fund is estimated to provide 60 percent of international financing for malaria, 57 percent for TB, and 23 percent of all international funding for HIV.

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AT A GLANCE

Approximately 35 percent of Global Fund committed funding (US\$ 4.2 billion) has been intended to bolster infrastructure, strengthen laboratories, expand the number of human resources, and augment skills and competencies of health workers.

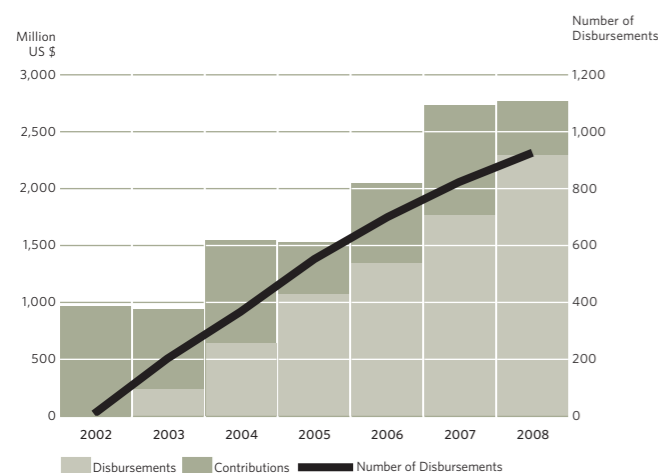
Forty-four percent of funds were committed for medicines, health commodities (such as condoms) and other health products (such as bed nets or diagnostics).

Thirty-two percent of Global Fund resources goes to programs that are implemented by civil society organizations, strengthening partnerships at the community level.

Fifty-six percent goes to government programs, implemented by Ministries of Health and other government institutions, and six percent is allocated to activities implemented by the United Nations Development Programme (UNDP).

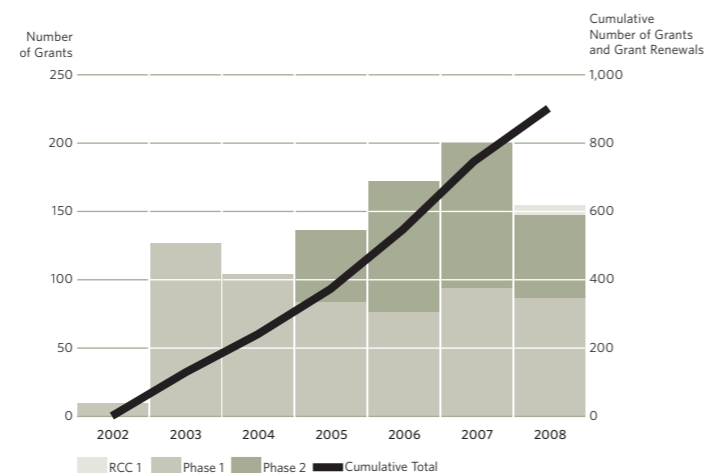
BUT THE IMPACT OF GLOBAL FUND INVESTMENTS GOES BEYOND NUMBERS: THE PEOPLE WHOSE LIVES ARE SAVED ARE NOW ACTIVE - WORKING AND CARING FOR FAMILIES, CONTRIBUTING TO THEIR COMMUNITIES AND GENERATING WEALTH.

CONTRIBUTIONS AND DISBURSEMENTS



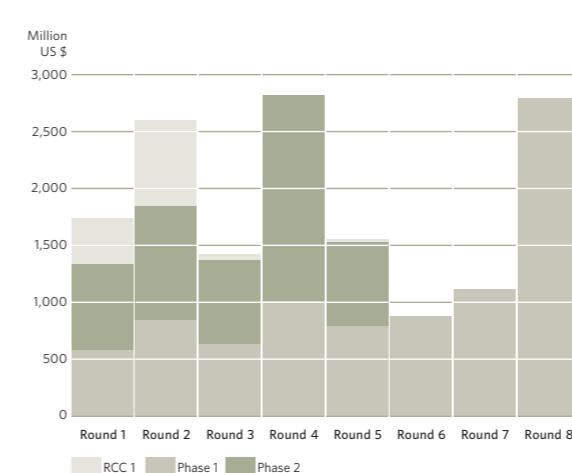
"Contributions" represent amounts received for the stated calendar years. "Disbursements" represent amounts disbursed in the stated calendar years.

NUMBER OF GRANTS AND GRANT RENEWALS SIGNED



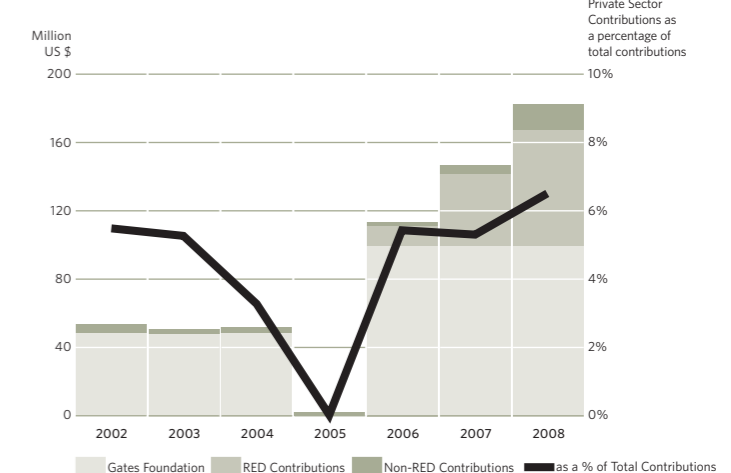
"Grants" and "Grant Renewals" represent grant agreements signed for each phase of a grant (Phase 1, Phase 2 and RCC1).

APPROVED GRANTS



Approved grants represent amounts approved by the Board, including subsequent reductions.

PRIVATE SECTOR CONTRIBUTIONS



"Contributions" represent amounts received for the stated calendar years.

GROWING INNOVATION

INCREASED PRIVATE SECTOR SUPPORT RAISES RESOURCES AND AWARENESS IN THE FIGHT AGAINST THE DISEASES

Since most commitments from public donors for 2008 were pledged during the Second Voluntary Replenishment Conference in 2007, 2008 saw an increased focus on private sector mobilization. The year kicked off with the launch in January of the Global Fund's Corporate Champions Program, which provides a way for multi-national corporations to invest in the fight against the three diseases and the announcement of Chevron as the Global Fund's inaugural partner.

Chosen because of its highly successful community engagement programs tackling AIDS and malaria and its award-winning HIV and AIDS workplace programs, Chevron agreed to invest US\$ 30 million over three years in Global Fund-supported programs in parts of Asia and Africa.

(RED) – the consumer marketing initiative that supports the Global Fund through sales of popular brand name products bearing the (RED) logo – also continued to perform strongly. In 2008, new (RED) products from Microsoft, Dell and Starbucks were introduced and the initiative raised nearly US\$ 39 million in a single night through a Valentine's Day auction of contemporary art. The auction, held at Sotheby's New York, was organized by rock musician Bono, one of the founders of (RED), and artist Damien Hirst, and was comprised of museum-quality work donated by more than 60 top contemporary artists. Auction proceeds, together with the contributions from sales of the regular (PRODUCT) RED line brought the total income from the initiative to US\$ 68 million for 2008.

IN 2008, CASH CONTRIBUTIONS FROM THE PRIVATE SECTOR AMOUNTED TO US\$ 71 MILLION FROM MARKETING CAMPAIGNS, US\$ 10 MILLION IN CORPORATE PARTNERSHIPS, AND US\$ 101 MILLION IN PHILANTHROPIC GIFTS, ADDING UP TO US\$ 182 MILLION AND A 25% ANNUAL INCREASE IN PRIVATE DONATIONS.

The Global Fund also expanded the reach of (RED) dollars by adding Lesotho to the list of countries that receive funds from the initiative. Lesotho is the fourth country to join the Global Fund's (RED) portfolio, which also includes Rwanda, Swaziland and Ghana. The Global Fund selects programs for (RED) investment based on their proven track record, ambitious targets and the countries' undisputed need.

One hundred percent of the (RED) money received by the Global Fund flows to Global Fund-financed programs, as regularly scheduled disbursements. In 2008, US\$ 54 million has been disbursed to the programs in the Global Fund (RED) portfolio.

The Global Fund has entered into a contribution agreement of up to US\$ 10 million with "American Idol", an American singing competition show airing on Fox Television Network. The money was raised during a special show called "Idol Gives Back", which aired in April 2008. The purpose of "Idol Gives Back" is to raise awareness and funds for organizations that provide relief programs to help children and young people in extreme poverty in America and in developing countries. US\$ 9 million of the resources will be allocated to a Global Fund-supported program fighting HIV/AIDS in the Western Cape Province in South Africa. The remaining US\$ 1 million was donated by the M•A•C AIDS Fund to the Global Fund through "Idol Gives Back" and will support an HIV/AIDS program in Jamaica. The Global Fund will receive the money from American Idol in 2009.

GLOBAL PERSPECTIVES

WEST AFRICA



West Africa
A traveling caravan to fight AIDS has brought prevention messages to four million people.

PHILIPPINES



Philippines
Nearly 300 women from remote villages have been trained to use a microscope to detect the presence of malaria by identifying the parasite from a blood smear.

Serbia
In five years, with Global Fund support, the number of people ill with TB has seen a 25 percent decrease from 3,700 per year to 2,800. Serbia is confident it will lower this further down to 2,500 by the end of 2009.

BRAZIL



SUCCESS STORIES

SURINAME



Suriname
Bed nets are adapted to the needs of indigenous people living deep in the rain forest.

SERBIA



ARGENTINA

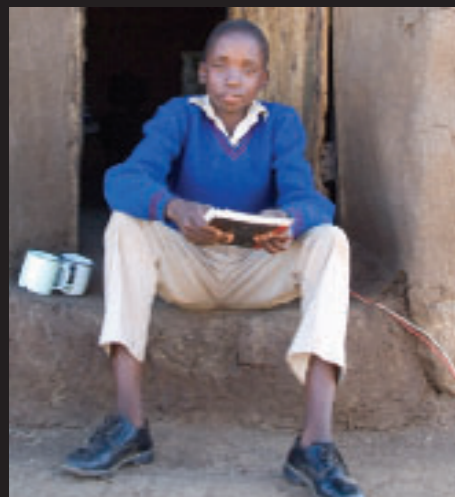


Argentina
A catchy song from the suburbs promotes condom use.

FROM AROUND THE WORLD

Lesotho
Food, shelter and survival tools are provided to children who are vulnerable to poverty and abuse when their parents die from AIDS.

LESOTHO



Kyrgyzstan
Kyrgyzstan takes the regional lead in using methadone, a synthetic drug, as a substitute for heroin to help stop the spread of HIV/AIDS.

KYRGYZSTAN

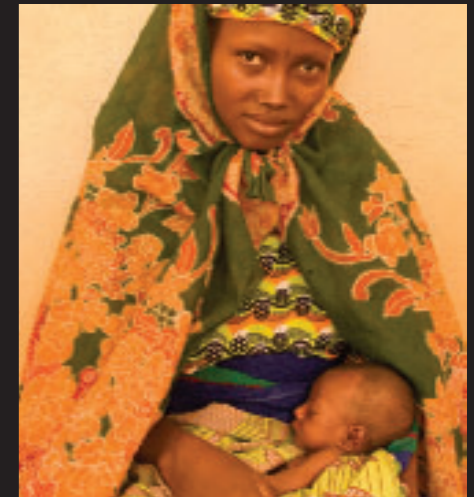


NIGER



Niger
The number of malaria cases has been cut by one third and the number of people dying of malaria has been reduced by half.

NIGER



THE FIGHT AGAINST MALARIA

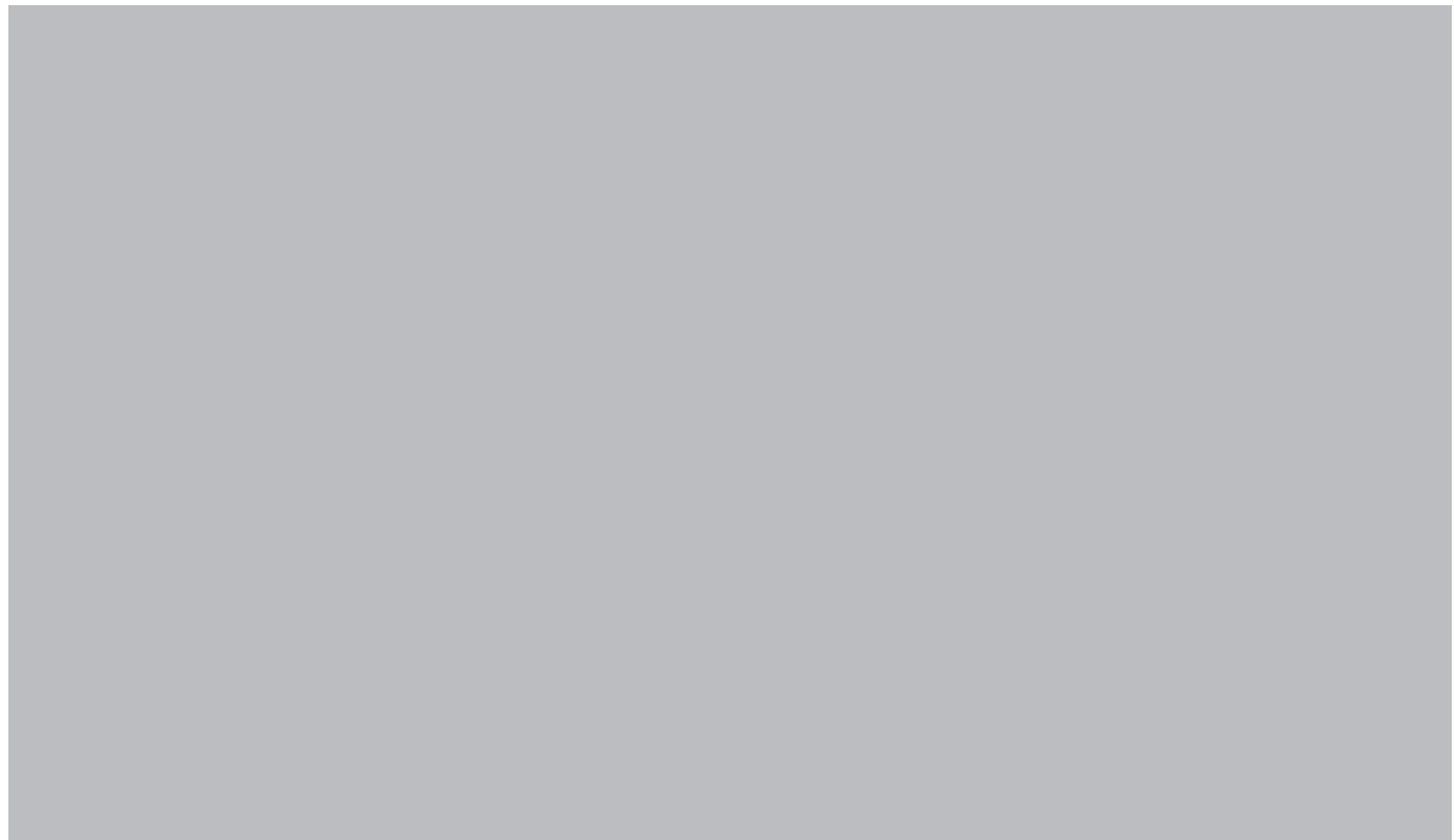


PHOTO CAPTION

Malaria is a major cause of death for children under five and its control has provided the most vivid examples of impact in the last year. Tremendous progress has been made with malaria prevention, treatment and vector control interventions, which are having a major impact on health outcomes. The UNICEF estimate for the global number of deaths of children under five is now below ten million per year, compared to 13 million in 1990. The use of insecticide-treated bed nets to reduce malaria and integrated management of childhood illness interventions have strongly contributed to this positive trend.

Evidence from several countries where malaria is endemic has confirmed declines in malaria cases and child mortality of up to 50 percent where high coverage of effective prevention and treatment has been achieved – including in Rwanda, Zanzibar, Eritrea and Burundi. Parts of Ethiopia, Kenya, Mozambique, South Africa, Swaziland and Zambia are also enjoying substantial reductions in

malaria mortality. These highly encouraging results have led the international community to set increasingly ambitious targets and resulted in the announcement of substantial new donor support for malaria during the Millennium Development Goals Summit in September 2008.

Unprecedented growth in the distribution of insecticide-treated bed nets took off in the last 24 months, as programs have resolved initial capacity constraints in procurement and management. This improved capacity and increased delivery have provided the foundation for optimism in the fight against malaria in developing countries for the first time in several decades. Over this 24-month period, Global Fund-supported programs reported the distribution of 52 million insecticide-treated bed nets, almost three times the number reported in the preceding four years. It is ten times the global distribution of insecticide-treated bed nets in 2002 (five million nets), showing how far the fight against malaria has come.

For the first time, national coverage of preventive interventions (insecticide-treated bed nets and spraying) has reached more than 60 percent in a number of countries. This is leading to declines in disease transmission, in the number of malaria cases, in treatment demand and, ultimately, in the burden on hospitals due to reduced malaria morbidity.

Malaria prevention interventions are some of the most cost-effective health interventions identified by the disease control priorities project, and are some of the cheapest of neglected low-cost interventions for childhood illnesses (US\$ 9 to US\$ 218 per disability-adjusted life year). They are also cost-effective when compared to maternal and neonatal care interventions

(US\$ 80 to US\$ 409 per disability-adjusted life year).

In 2008, the Global Fund Board approved a pilot for a new affordable medicines facility for malaria, with the aim

of ensuring that people suffering from malaria have access to inexpensive, quality-assured antimalarial treatment, in the form of artemisinin-based combination therapies (ACTs). The program, known as AMFm, will promote the use of effective antimalarials and drive out ineffective medicines from the market by reducing consumer

prices to an affordable level through price negotiations and a buyer co-payment and ensuring safe and effective scale-up of ACT use by introducing in-country supporting interventions.

OVER THE LAST 24 MONTHS, GLOBAL FUND-SUPPORTED PROGRAMS REPORTED THE DISTRIBUTION OF 52 MILLION INSECTICIDE-TREATED BED NETS, ALMOST THREE TIMES THE NUMBER REPORTED IN THE PRECEDING FOUR YEARS.

THE FIGHT AGAINST TUBERCULOSIS

The Stop TB Partnership has set an ambitious target to halve the prevalence of tuberculosis between 1990 and 2015, but does not envisage eliminating the disease globally before 2050. The strategy is focused on detecting and treating new cases.

The increased funding of tuberculosis control programs by the Global Fund has contributed to rapid scale-up of effective Directly-Observed Treatment, short course (DOTS) programs both geographically and with increased involvement of nongovernmental service providers, including the private sector. The Global Fund is also providing essential funding to conduct tuberculosis disease prevalence surveys to help better understand evolving tuberculosis epidemiology and inform estimation models, particularly in sub-Saharan Africa where it has financed prevalence surveys in Uganda, Malawi and Nigeria.

Stop TB estimates are showing that TB prevalence was already on the decline by 1990 and mortality peaked before 2000. Declining trends should continue globally as populous high-burden TB countries such as China and India are showing impact on a trajectory toward achieving Millennium Development Goal 6. However, countries in sub-Saharan Africa as well as some in Eastern Europe

show increases, mostly exacerbated by the HIV pandemic. Asian countries are steadily progressing toward achieving impact but progress in Africa is more limited. In addition to TB/HIV co-epidemics, the challenges in Africa also include weak health systems and the need to detect TB more actively in communities.

Among the 15 countries with the largest Global Fund investments to fight TB, there are clear differences between Africa and Asia:

- The majority of the Asian countries have exceeded their 2006 target toward 2015, including the three countries with the largest number of people with TB (India, China and Indonesia).
- Many countries in sub-Saharan Africa (where the HIV pandemic has hit hardest), including those with a high TB burden such as South Africa and Nigeria, are showing increases in TB prevalence despite increasing financial resources.
- At the same time, Stop TB estimates indicate that TB prevalence has been decreasing since 2000 – on a trajectory to achieve the Millennium Development Goals – in some African countries such as Zambia and Somalia.



PHOTO CAPTION

Statistics show that Global Fund investments are contributing significantly to international targets. Programs supported by the Global Fund contributed 45 percent of the 2008 estimated international targets for detection of TB cases and treatment using DOTS. By 2010, this figure is projected to increase to 49 percent of the target.

THE INCREASED FUNDING OF TB CONTROL PROGRAMS BY THE GLOBAL FUND HAS CONTRIBUTED TO RAPID SCALE-UP OF EFFECTIVE DOTS, THE INTERNATIONALLY RECOGNIZED TREATMENT STRATEGY FOR TB PROGRAMS WORLDWIDE

THE FIGHT AGAINST HIV AND AIDS

THE TRENDS SUGGEST THAT PART OF TARGET 1 OF MILLENNIUM DEVELOPMENT GOAL 6 (TO HALT AND BEGIN TO REVERSE HIV PREVALENCE AMONG THE POPULATION AGED 15 TO 24 YEARS) MIGHT HAVE BEEN ACHIEVED BUT THAT THE TARGET OF REDUCING HIV PREVALENCE BY 25 PERCENT BY 2010 WILL REQUIRE SUBSTANTIAL ADDITIONAL EFFORTS.

UNAIDS and WHO estimates suggest that global HIV incidence likely reached its peak in the late 1990s. Reductions in incidence that reflect the natural trend of the epidemic and – in a few situations – behavioral change, are beginning to emerge. The trends suggest that part of Target 1 of Millennium Development Goal 6 (to halt and begin to reverse HIV prevalence among the population aged 15 to 24 years) might have been achieved but that the United Nations General Assembly Special Session (UNGASS) target of reducing HIV prevalence by 25 percent by 2010 will require substantial additional efforts. Measuring HIV incidence is still a scientific challenge, so trends in HIV prevalence among young people are often used as a proxy estimate for trends in new HIV infections. Caution is required in interpreting trends from sentinel surveillance data.

Progress toward the Millennium Development Goal targets has been summarized for 14 countries across the world that have some of the largest Global Fund investments in HIV control. These include the sub-Saharan African countries with the largest HIV investments overall, as well as countries with large investments in East Asia and Latin America and the Caribbean. Some favorable trends in HIV prevalence among pregnant women can be seen in some countries:

- In Ethiopia, sub-Saharan Africa's second-most populous nation, HIV prevalence among pregnant women aged 15 to 24 has declined, both in urban and in rural areas;
- Decreases in HIV prevalence were also reported in Malawi (in urban areas among younger age groups), Cambodia, Zimbabwe, Rwanda (in Kigali) and Kenya;
- The two countries with the highest number of people

living with AIDS (South Africa and Nigeria) have seen modest declines in HIV prevalence.

Between 2004 and 2008, there has been a significant scale-up of HIV treatment in low- and middle-income countries, in substantial part thanks to investments by the Global Fund and the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), so that more than 3.5 million people now receive ARVs. Generalizing the limited current examples of impact on HIV transmission would require a substantial scale-up of prevention efforts, including intensified delivery and engagement at the community level. Some areas and countries are still seeing rising HIV epidemics and may have to intensify prevention efforts among vulnerable groups: for example, Ukraine, Russian Federation, Viet Nam, China, Mozambique, Papua New Guinea and Indonesia.

PHOTO CAPTION

THE GLOBAL FUND

UP CLOSE & PERSONAL



IN DECEMBER 2008, **CARLA BRUNI-SARKOZY**

BECAME THE GLOBAL FUND'S GLOBAL AMBASSADOR FOR THE PROTECTION OF MOTHERS AND CHILDREN AGAINST AIDS.

PHOTO CAPTION

The Global Fund: What caused you to become interested in the fight against AIDS?

Carla Bruni-Sarkozy: I have a particular interest in the fight against AIDS, because I lost my brother to the disease. The memory of Virginio is always with me. Looking back, I think we were lucky in his case. He always had access to all the treatment and medication he needed. Right now, I would like all the stigma and the taboos that are associated with this disease to be cast out for good. AIDS is a global fight, in my view. It's a pandemic, a disease that we have forgotten, because we have gotten so used to it.

GF: Why do mothers and children need a special ambassador?

CB: Every day, 1,000 children are infected by the virus, and 90 percent of them get the infection from their HIV-positive mothers. A lot of effort needs to be put into education. I want to help the weakest, the most vulnerable, those who are the first to fall victim to this disease. I want to support mothers who do not want to get tested for fear of being ostracized. There is no greater cruelty than the stigma that they face. Today, efficient medication and treatment are available, so there is no reason why a child should be born HIV-positive. It is time to realize that this disease is not some kind of "evil spell".

GF: Why did you decide to work with the Global Fund?

CB: To be First Lady is a responsibility. I want to help others. To do humanitarian work means above all else making oneself useful. The Global Fund gives me the

opportunity to be useful worldwide. This commitment is an honor, an opportunity to give to others. The Global Fund's activities are not very widely reported in the media, so in that way I can bring my own celebrity to the cause.

GF: What do you hope to achieve through your work with the Global Fund?

CB: I take my role as ambassador for the Global Fund against AIDS very seriously, but at the same time I am still only a beginner. I hope I can help the Global Fund to obtain additional funding, and to increase its visibility. My main objectives are: to increase public awareness; to help those who most need help, those who have nothing; and to promote the work of the Global Fund and help it maintain its funding. The economic crisis is no excuse for countries to withdraw their support. The fight for health is an investment for the good of a healthy equilibrium between the north and the south.

"MY MAIN OBJECTIVES ARE: TO INCREASE PUBLIC AWARENESS; TO HELP THOSE WHO MOST NEED HELP, THOSE WHO HAVE NOTHING; AND TO PROMOTE THE WORK OF THE GLOBAL FUND AND HELP IT MAINTAIN ITS FUNDING."

- CARLA BRUNI-SARKOZY

GF: What was the single thing that most struck you or impressed during your recent visit to Burkina Faso?

CB: The commitment and involvement of doctors, nurses and of all the non-profit organizations fighting against AIDS, tuberculosis and malaria. Also the fact that the number of people, mainly women, who seek treatment is increasing. This is encouraging. People trust the health system and the medical staff who provide them with care. In Burkina-Faso, everybody is collaborating: the government, the Global Fund and the non-profit organizations all work together to fight this disease. I have had a very good impression on my first working visit as ambassador for the Global Fund to fight AIDS.

ACCESS TO LIFE

In Access to Life, eight Magnum photographers portray people in nine countries around the world before and four months after they began antiretroviral drugs treatment for AIDS. Here are faces, voices, and stories representing those millions of people who by now would be dead if not for access to free ARVs.

People who are living with HIV, working, caring for their children, and experiencing the joys and struggles of being alive. But there are also the stories of those for whom treatment came too late or where TB or other diseases brought

their lives to an end. Showing how the fight to bring access to AIDS treatment is a difficult one, often filled with setbacks as well as success.

The Access to Life exhibit opened at the Corcoran Gallery of Art in Washington, D.C. in June 2008. A smaller version of the full exhibit was also on display in August at the International AIDS Conference in Mexico. A multimedia presentation of the exhibit was shown on World AIDS Day in Paris, where a book about the project was launched. The exhibit will travel internationally throughout 2009.

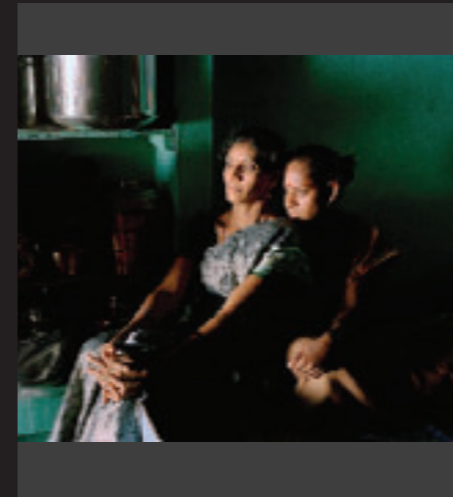
HAITI

HAITI BY JONAS BENDIKSEN /
MAGNUM PHOTOS FOR THE GLOBAL FUND



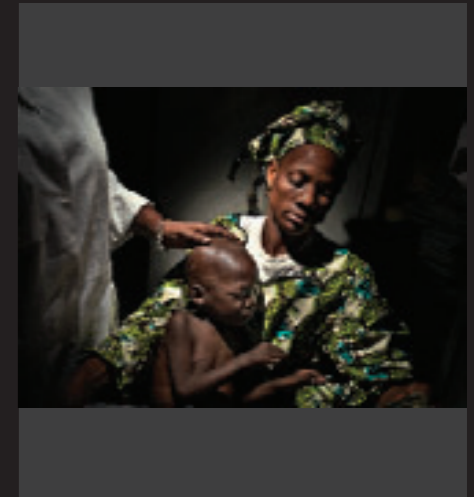
INDIA

INDIA BY JIM GOLDBERG /
MAGNUM PHOTOS FOR THE GLOBAL FUND

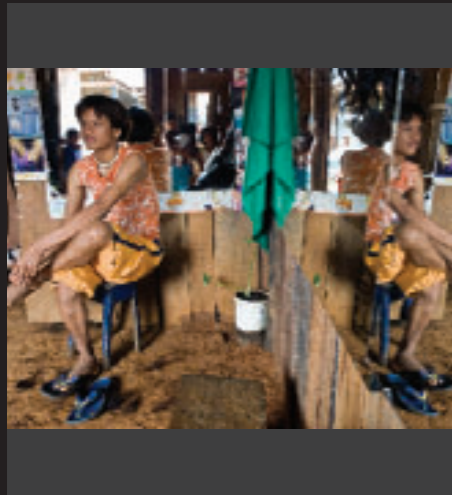


MALI

MALI BY PAOLO PELLEGRIN /
MAGNUM PHOTOS FOR THE GLOBAL FUND

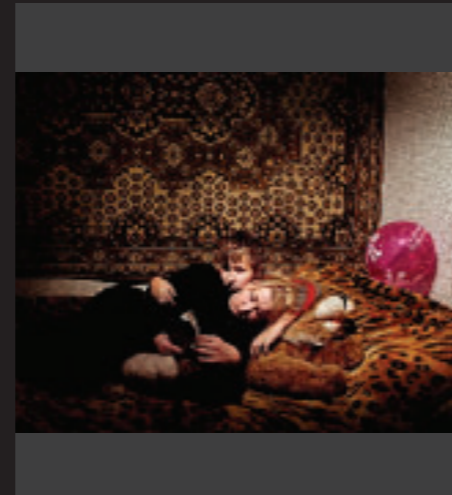


PERU BY ELI REED /
MAGNUM PHOTOS FOR THE GLOBAL FUND



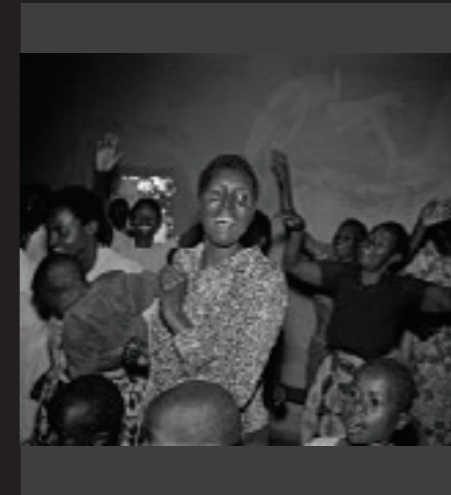
PERU

RUSSIA BY ALEX MAJOLI /
MAGNUM PHOTOS FOR THE GLOBAL FUND



RUSSIA

RWANDA BY GILLES PERESS /
MAGNUM PHOTOS FOR THE GLOBAL FUND



RWANDA

SOUTH AFRICA

SOUTH AFRICA BY LARRY TOWELL /
MAGNUM PHOTOS FOR THE GLOBAL FUND



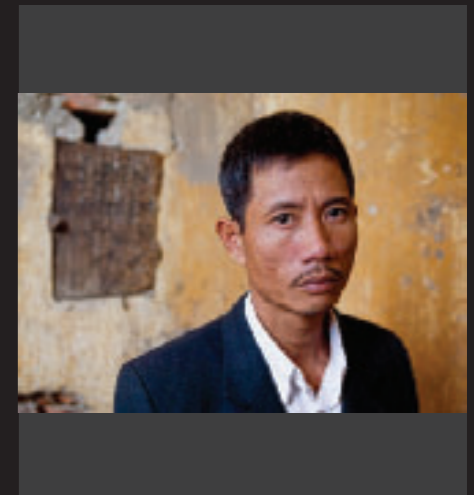
SWAZI- LAND

SWAZILAND BY LARRY TOWELL /
MAGNUM PHOTOS FOR THE GLOBAL FUND



VIET NAM

VIET NAM BY STEVE McCURRY /
MAGNUM PHOTOS FOR THE GLOBAL FUND



HAITI

Haiti and the Dominican Republic together account for three-quarters of HIV infections in the Caribbean. Although it is one of the poorest countries in the world, Haiti is making steady progress in providing antiretroviral therapy to people with AIDS. Transmission of HIV happens mainly through unprotected sex, and while condom use is becoming more accepted in cities, poor women in rural areas remain at high risk of being infected.



JONAS BENDIKSEN / MAGNUM PHOTOS FOR THE GLOBAL FUND

When **Marie Sonie St. Louis**, 33, first sought help, her immune system had totally collapsed, and she was considered a week away from death. She was no longer able to work as a cosmetics vendor in Port-au-Prince and moved back to her family's remote homestead. "Hearing I was HIV positive broke my heart," she said. "I thought I was lost. I thought I was going to die." Since she started antiretroviral treatment, she has gained back considerable weight, her anemia has disappeared, and she is back to helping in the family household.

Jonas Bendiksen spent time mainly in the Central Plateau of Haiti. Haiti accounts for the largest HIV burden in the Western hemisphere. Although one of the poorest countries in the world, wracked by violence and instability, Haiti is making steady progress in providing antiretroviral therapy. Despite the enormous logistical challenges "accompagnateurs" (treatment partners) often walk hours, twice a day, to ensure that patients in their care take their medicine on time.

SOUTH AFRICA

With more than 5.5 million people living with HIV, South Africa remains the country with the highest number of infected people in the world. As in much of Sub-Saharan Africa, the face of AIDS is more and more a female one, and in some areas of South Africa, women are three times as likely to be infected as men.



LARRY TOWELL / MAGNUM PHOTOS FOR THE GLOBAL FUND

Ntombizandile Mati, 25, is a single mother of two children who lives in the Cape township of Khayelitsha with her grandmother, her cousin Miselwa, and an uncle. Miselwa earns money by running a makeshift beauty parlor in her living room. Ntombizandile discovered she was HIV-positive during her second pregnancy. Her boyfriend does not want to be tested for HIV. After four months of treatment, Ntombizandile had regained her strength and was taking care of her younger child.

Larry Towell visited Swaziland and South Africa, the region of the world hardest hit by HIV/AIDS. South Africa has the highest number of infected people in the world. As in much of sub-Saharan Africa, the face of AIDS is largely a female one. South African women are three times more likely than men to be infected. Stigma and taboo make many South Africans reluctant to even talk about AIDS, let alone take HIV tests or seek treatment. The government is rolling out large treatment programs, beginning to reduce the fear and stigma linked to AIDS.

GLOBAL FUND

LIST OF APPROVED GRANTS

EAST ASIA & THE PACIFIC

The principal work of the Global Fund is accomplished by awarding and managing grants to finance the battle against the world's three great health pandemics: HIV/AIDS, TB and malaria. Following approval of proposals by the Board, grant agreements commit funds for an initial two-year period, and periodic disbursements are made on the basis of requests and performance.

At the end of the initial two-year period, countries request funding for the remainder of the timeframe set out in the original proposal (typically five years). Approval of this second tranche of funding is known as Phase 2. When a grant reaches the end of its original timeframe, those grants which are considered to be high-performing are invited to apply for additional funding with a view to continuing and scaling up their programs. This is known as the Rolling Continuation Channel, and funds can be approved for up to an additional six years. Thus the funding stream for a country's program can be up to 11 years in total.

Amounts shown under "Total Funds Approved", "Funds Committed (Phase 1)", "Funds Committed (Renewals)" and "Funds Disbursed" are cumulative from the beginning of the Global Fund and do not indicate amounts relating to calendar year 2008.

Local Fund Agent: The Local Fund Agents listed in this report were selected through an international tender and, as of 31 December 2008, had signed contracts (with the exception of a few instances where contracts were signed only in early 2009). The organizations serving as Local Fund Agents are as follows:

CA	Crown Agents
DEL	Deloitte
EMG	Emerging Markets Group
FIN	Finconsult
GT	Grant Thornton
H-C	Hodar-Conseil
KPMG	KPMG
MSCI	MSCI
PwC	PricewaterhouseCoopers
STI	Swiss Tropical Institute
UNOPS	United Nations Office for Project Services
WB	World Bank

Round(s): Refers to the proposal round in which a grant was approved. To date, the Global Fund has approved eight rounds of funding. The proposal submissions deadline for Round 9 is 1 June 2009.

Programs Approved for Funding: Refers to the disease component for which a grant was approved.

Principal Recipient: Refers to the organization selected to take legal and financial responsibility for grant funds. Those listed are Principal Recipients with whom grants have been signed. Where it shows "TBD" this indicates that the grant has not yet been signed. This information is made available as soon as the grant agreement is signed by both parties.

Total Funds Approved: Refers to all proposal amounts approved by the Board and incorporates any adjustments resulting from Technical Review Panel clarifications and/or grant negotiations. Note concerning Round 8 approved funding: All recommended Round 8 proposals have been approved by the Board in principle. However, funding for some of these proposals will only be submitted to the Board for approval as and when funding becomes available, as per the Comprehensive Funding Policy. Furthermore, the Board has approved an upper ceiling of US\$ 2.75 billion for the initial two-year funding of Round 8. The Global Fund Secretariat will be working with countries to find efficiencies in all Round 8 proposals to bring the total approved funding for Round 8 at or below this amount.

Funds Committed: Indicates the maximum amount allocated by a signed grant agreement. This amount can on occasion be less than the total amount originally approved by the Board following negotiations during the grant signing process.

Renewals: Refers to all funding approved after the initial two-year period of a grant, including both Phase 2 amounts and those approved under the Rolling Continuation Channel.

Total disbursed: Indicates the total amount of funding disbursed for the grant thus far, including, where applicable, Phase 1, Phase 2 and Rolling Continuation Channel funding.

CAMBODIA

Local Fund Agent

STI

Round(s)

1,2,4,5,6,7

Programs Approved for Funding

HIV/AIDS, Tuberculosis, Malaria, Health Systems Strengthening

Principal Recipients

The Ministry of Health of the Government of the Kingdom of Cambodia; National Center for HIV/AIDS, Dermatology and STI (NCHADS);

Total Funds Approved

208,637,873

Funds Committed (Phase 1)

97,515,475

Funds Committed (Renewals)

56,603,880

Total Disbursed

111,960,697

CHINA

Local Fund Agent

UNOPS

Round(s)

1,3,4,5,6,7,8

Programs Approved for Funding

HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The Chinese Centre for Disease Control and Prevention of the Government of the People's Republic of China; TBD

Total Funds Approved

513,134,806

Funds Committed (Phase 1)

181,471,478

Funds Committed (Renewals)

183,426,916

Total Disbursed

313,193,254

FIJI

Local Fund Agent

KPMG

Round(s)

8

Programs Approved for Funding

TB

Principal Recipients

TBD

Total Funds Approved

4,789,119

Funds Committed (Phase 1)

N/A

Funds Committed (Renewals)

N/A

Total Disbursed

N/A

INDONESIA

Local Fund Agent

PwC

Round(s)

1,4,5,6,8

Programs Approved for Funding

HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

Directorate of Directly Transmitted Disease Control of the Ministry of Health of the Government of the Republic of Indonesia; Directorate of Vector Borne Disease Control of the Ministry of Health of the Republic of Indonesia; Directorate General of Disease Control and Environmental Health of The Ministry of Health of The Republic of Indonesia; TBD

Total Funds Approved

374,574,854

Funds Committed (Phase 1)

117,419,501

Funds Committed (Renewals)

78,546,920

Total Disbursed

135,235,150

KOREA, DEM. REP. OF

Local Fund Agent

UNOPS

Round(s)

8

Programs Approved for Funding

Malaria, Tuberculosis

Principal Recipients

TBD

Total Funds Approved

37,894,507

Funds Committed (Phase 1)

N/A

Funds Committed (Renewals)

N/A

Total Disbursed

N/A

LAO PDR

Local Fund Agent

STI

Round(s)

1,2,4,6,7,8

Programs Approved for Funding

HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The Ministry of Health of the Government of the Lao People's Democratic Republic; TBD

Total Funds Approved

70,883,772

Funds Committed (Phase 1)

29,722,043

Funds Committed (Renewals)

32,047,403

Total Disbursed

47,393,996

MONGOLIA

Local Fund Agent

EMG

Round(s)

1,2,4,5,7

Programs Approved for Funding

HIV/AIDS, Tuberculosis

Principal Recipients

The Ministry of Health of the Government of Mongolia

Total Funds Approved

21,466,720

Funds Committed (Phase 1)

7,212,759

Funds Committed (Renewals)

14,253,961

Total Disbursed

13,383,615

MULTI-COUNTRY WESTERN PACIFIC

Local Fund Agent

KPMG

Round(s)

2,5,7

Programs Approved for Funding

HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The Secretariat of the Pacific Community

Total Funds Approved

53,743,237

Funds Committed (Phase 1)

27,807,567

Funds Committed (Renewals)

4,925,789

Total Disbursed

20,772,597

EAST ASIA & THE PACIFIC

MYANMAR

Local Fund Agent
KPMG
Round(s)
2,3
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The United Nations
Development Programme
Total Funds Approved
11,129,652
Funds Committed (Phase 1)
11,129,652
Funds Committed (Renewals)
0
Total Disbursed
11,129,652

PAPUA NEW GUINEA

Local Fund Agent
KPMG
Round(s)
3,4,6,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Department of Health
of the Government of
Papua New Guinea; TBD
Total Funds Approved
112,805,573
Funds Committed (Phase 1)
19,606,708
Funds Committed (Renewals)
23,059,043
Total Disbursed
27,022,840

PHILIPPINES

Local Fund Agent
PwC
Round(s)
2,3,5,6
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
Tropical Disease Foundation, Inc.;
Pilipinas Shell Foundation;
Department of Health
Total Funds Approved
224,561,873
Funds Committed (Phase 1)
68,553,425
Funds Committed (Renewals)
21,297,567
Total Disbursed
81,360,064

SOLOMON ISLANDS

Local Fund Agent
EMG
Round(s)
8
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
TBD
Total Funds Approved
4,454,439
Funds Committed (Phase 1)
N/A
Funds Committed (Renewals)
N/A
Total Disbursed
N/A

THAILAND

Local Fund Agent
KPMG
Round(s)
1,2,3,6,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Department of Disease
Control, Ministry of Public Health
of the Royal Government
of Thailand; RAKS THAI
FOUNDATION;
World Vision Foundation
of Thailand; TBD
Total Funds Approved
280,134,620
Funds Committed (Phase 1)
80,863,392
Funds Committed (Renewals)
147,993,013
Total Disbursed
160,776,901

TIMOR-LESTE

Local Fund Agent
PwC
Round(s)
2,3,5,7
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Ministry of Health of the
Government of the Democratic
Republic of Timor-Leste
Total Funds Approved
17,288,320
Funds Committed (Phase 1)
6,950,107
Funds Committed (Renewals)
576,159
Total Disbursed
5,904,889

VIET NAM

Local Fund Agent
PwC
Round(s)
1,3,6,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Ministry of Health of the
Government of Vietnam;
The National Institute of
Malariaology, Parasitology and
Entomology / Ministry of Health
of the Government of the
Socialist Republic of Vietnam;
Administration of HIV/AIDS and
Control (VAAC), Ministry of
Health in Vietnam; TBD
Total Funds Approved
83,124,956
Funds Committed (Phase 1)
53,353,486
Funds Committed (Renewals)
15,194,266
Total Disbursed
52,550,610

EASTERN EUROPE & CENTRAL ASIA

ALBANIA

Local Fund Agent
PwC
Round(s)
5
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
Ministry of Health,
Institute of Public Health
Total Funds Approved
3,279,156
Funds Committed (Phase 1)
3,279,156
Funds Committed (Renewals)
0
Total Disbursed
3,279,156

ARMENIA

Local Fund Agent
UNOPS
Round(s)
2,5,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
World Vision International -
Armenia Branch; The Ministry
of Health of the Republic of
Armenia; TBD
Total Funds Approved
20,153,931
Funds Committed (Phase 1)
6,791,781
Funds Committed (Renewals)
5,073,128
Total Disbursed
11,864,909

AZERBAIJAN

Local Fund Agent
UNOPS
Round(s)
4,5,7
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Ministry of Health of the
Government of the Republic of
Azerbaijan
Total Funds Approved
27,377,814
Funds Committed (Phase 1)
23,134,864
Funds Committed (Renewals)
4,242,950
Total Disbursed
17,486,710

BELARUS

Local Fund Agent
KPMG
Round(s)
3,6,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The United Nations
Development Programme;
TBD
Total Funds Approved
38,105,589
Funds Committed (Phase 1)
12,683,721
Funds Committed (Renewals)
9,945,034
Total Disbursed
18,331,553

BOSNIA AND HERZEGOVINA

Local Fund Agent
UNOPS
Round(s)
5,6
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The United Nations
Development Programme
Total Funds Approved
13,757,743
Funds Committed (Phase 1)
7,547,871
Funds Committed (Renewals)
6,209,872
Total Disbursed
8,673,375

BULGARIA

Local Fund Agent
KPMG
Round(s)
2,6,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The Ministry of Health of
the Republic of Bulgaria;
TBD
Total Funds Approved
55,725,367
Funds Committed (Phase 1)
16,843,073
Funds Committed (Renewals)
33,786,675
Total Disbursed
18,932,287

CROATIA

Local Fund Agent
KPMG
Round(s)
2
Programs Approved for Funding
HIV/AIDS
Principal Recipients
The Ministry of Health and
Social Welfare of the Republic
of Croatia
Total Funds Approved
4,944,324
Funds Committed (Phase 1)
3,363,974
Funds Committed (Renewals)
1,580,350
Total Disbursed
4,944,324

ESTONIA

Local Fund Agent
PwC
Round(s)
2
Programs Approved for Funding
HIV/AIDS
Principal Recipients
The National Institute for Health
Development of the Ministry of
Social Affairs of Estonia
Total Funds Approved
10,483,275
Funds Committed (Phase 1)
3,908,952
Funds Committed (Renewals)
6,574,323
Total Disbursed
10,483,275

GEORGIA

Local Fund Agent
CA
Round(s)
2,3,4,6
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Georgia Health and Social
Projects Implementation Center
Total Funds Approved
35,501,729
Funds Committed (Phase 1)
23,526,070
Funds Committed (Renewals)
11,975,659
Total Disbursed
26,335,871

KAZAKHSTAN

Local Fund Agent
MSCI
Round(s)
2,6,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The Republican Center for
Prophylactics and Control of
AIDS of the Government of the
Republic of Kazakhstan;
National Center of TB Problems
of the Ministry of Health of the
Republic of Kazakhstan;
TBD
Total Funds Approved
77,571,907
Funds Committed (Phase 1)
24,430,390
Funds Committed (Renewals)
15,583,999
Total Disbursed
31,003,879

KOSOVO (SERBIA)

Local Fund Agent
UNOPS
Round(s)
4,7
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
United Nations Interim
Administration in Kosovo
Total Funds Approved
6,187,454
Funds Committed (Phase 1)
4,447,655
Funds Committed (Renewals)
1,739,798
Total Disbursed
3,473,532

EASTERN EUROPE & CENTRAL ASIA

KYRGYZ REPUBLIC

Local Fund Agent
CA
Round(s)
2,5,6,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The National AIDS Center of the Government of the Republic of Kyrgyzstan; State Sanitary Epidemiological Department; National Center of Phthisiology under the Ministry of Health of the Republic of Kyrgyzstan; TBD
Total Funds Approved
43,891,057
Funds Committed (Phase 1)
24,363,606
Funds Committed (Renewals)
14,996,563
Total Disbursed
30,748,784

MACEDONIA, FYR

Local Fund Agent
UNOPS
Round(s)
3,5,7
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The Ministry of Health of the Government of the Former Yugoslav Republic of Macedonia
Total Funds Approved
13,073,104
Funds Committed (Phase 1)
10,013,614
Funds Committed (Renewals)
3,059,490
Total Disbursed
10,403,533

MOLDOVA

Local Fund Agent
PwC
Round(s)
1,6,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The Project Coordination, Implementation and Monitoring Unit of the Ministry of Health of the Republic of Moldova; TBD
Total Funds Approved
43,132,768
Funds Committed (Phase 1)
17,344,520
Funds Committed (Renewals)
6,461,106
Total Disbursed
20,908,846

MONTENEGRO

Local Fund Agent
PwC
Round(s)
5,6
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The United Nations Development Programme
Total Funds Approved
5,320,567
Funds Committed (Phase 1)
3,850,493
Funds Committed (Renewals)
1,470,074
Total Disbursed
3,850,493

ROMANIA

Local Fund Agent
PwC
Round(s)
2,6
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The Ministry of Health and Family of the Government of Romania; Romanian Angel Appeal Foundation
Total Funds Approved
58,177,645
Funds Committed (Phase 1)
53,243,691
Funds Committed (Renewals)
4,933,954
Total Disbursed
56,284,926

RUSSIAN FEDERATION

Local Fund Agent
KPMG
Round(s)
3,4,5
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The Open Health Institute; Partners In Health; The Russian Health Care Foundation; Russian Harm Reduction Network
Total Funds Approved
324,115,160
Funds Committed (Phase 1)
128,433,652
Funds Committed (Renewals)
195,681,508
Total Disbursed
256,147,868

SERBIA

Local Fund Agent
UNOPS
Round(s)
1,3,6,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The Economics Institute in Belgrade; The Ministry of Health of the Republic of Serbia; of the Government of Serbia; TBD
Total Funds Approved
19,512,895
Funds Committed (Phase 1)
11,754,889
Funds Committed (Renewals)
2,515,489
Total Disbursed
12,887,840

TAJIKISTAN

Local Fund Agent
FIN
Round(s)
1,3,4,5,6,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The United Nations Development Programme; Project HOPE; TBD
Total Funds Approved
69,490,914
Funds Committed (Phase 1)
19,737,535
Funds Committed (Renewals)
10,326,572
Total Disbursed
26,001,990

TURKEY

Local Fund Agent
PwC
Round(s)
4
Programs Approved for Funding
HIV/AIDS
Principal Recipients
The Ministry of Health of the Government of the Republic of Turkey
Total Funds Approved
3,272,763
Funds Committed (Phase 1)
3,272,763
Funds Committed (Renewals)
0
Total Disbursed
3,272,763

UKRAINE

Local Fund Agent
PwC
Round(s)
1,6
Programs Approved for Funding
HIV/AIDS
Principal Recipients
The International HIV/AIDS Alliance; The Ukrainian Fund to Fight HIV Infection and AIDS; The Ministry of Health of the Government of Ukraine; The United Nations Development Programme; All-Ukrainian Network of People Living with HIV/AIDS
Total Funds Approved
128,766,821
Funds Committed (Phase 1)
54,609,822
Funds Committed (Renewals)
74,156,999
Total Disbursed
119,153,955

UZBEKISTAN

Local Fund Agent
MSCI
Round(s)
3,4,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The National AIDS Center of the Ministry of Health of the Government of the Republic of Uzbekistan; The Republican Center of State Sanitary-Epidemiological Surveillance; The Republican DOTS Center of the Government of the Republic of Uzbekistan; TBD
Total Funds Approved
53,437,517
Funds Committed (Phase 1)
12,160,743
Funds Committed (Renewals)
24,605,220
Total Disbursed
24,750,231

LATIN AMERICA & THE CARIBBEAN

ARGENTINA

Local Fund Agent
PwC
Round(s)
1
Programs Approved for Funding
HIV/AIDS
Principal Recipients
The United Nations Development Programme; UBATEC S.A.
Total Funds Approved
26,066,374
Funds Committed (Phase 1)
12,177,200
Funds Committed (Renewals)
13,889,174
Total Disbursed
25,370,458

BELIZE

Local Fund Agent
PwC
Round(s)
3
Programs Approved for Funding
HIV/AIDS
Principal Recipients
Belize Enterprise for Sustainable Technology
Total Funds Approved
2,403,677
Funds Committed (Phase 1)
1,298,884
Funds Committed (Renewals)
1,104,793
Total Disbursed
1,769,419

BOLIVIA

Local Fund Agent
STI
Round(s)
3,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
Centro de Investigación, Educación y Servicios (CIES); The United Nations Development Programme; Asociación Ibis - Hivos; TBD
Total Funds Approved
32,103,105
Funds Committed (Phase 1)
12,684,420
Funds Committed (Renewals)
12,674,277
Total Disbursed
19,896,400

BRAZIL

Local Fund Agent
DEL
Round(s)
5,8
Programs Approved for Funding
Tuberculosis, Malaria
Principal Recipients
Fundação Ataulpho de Paiva; Fundação Para O Desenvolvimento Científico E Tecnológico Em Saúde (FIOTEC); TBD
Total Funds Approved
40,353,720
Funds Committed (Phase 1)
11,602,427
Funds Committed (Renewals)
0
Total Disbursed
9,131,397

CHILE

Local Fund Agent
PwC
Round(s)
1
Programs Approved for Funding
HIV/AIDS
Principal Recipients
Consejo de las Américas
Total Funds Approved
38,059,416
Funds Committed (Phase 1)
13,574,098
Funds Committed (Renewals)
24,485,318
Total Disbursed
28,835,307

COLOMBIA

Local Fund Agent
PwC
Round(s)
2,8
Programs Approved for Funding
HIV/AIDS, Malaria
Principal Recipients
The International Organization for Migration (IOM); TBD
Total Funds Approved
32,324,701
Funds Committed (Phase 1)
3,482,636
Funds Committed (Renewals)
5,187,212
Total Disbursed
8,632,605

COSTA RICA

Local Fund Agent
STI
Round(s)
2
Programs Approved for Funding
HIV/AIDS
Principal Recipients
The Consejo Técnico de Asistencia Médico Social (CTAMS) of the Government of the Republic of Costa Rica; HIVOS (Humanistic Institute for Cooperation with Developing Countries)
Total Funds Approved
3,583,871
Funds Committed (Phase 1)
2,279,501
Funds Committed (Renewals)
1,304,370
Total Disbursed
3,583,871

CUBA

Local Fund Agent
PwC
Round(s)
2,6,7
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The United Nations Development Programme
Total Funds Approved
56,316,347
Funds Committed (Phase 1)
31,290,617
Funds Committed (Renewals)
15,252,732
Total Disbursed
34,077,906

DOMINICAN REPUBLIC

Local Fund Agent
PwC
Round(s)
2,3,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
Consejo Presidencial del SIDA (COPRESIDA) of the Government of the Dominican Republic; Asociación Dominicana Pro-Bienestar de la Familia (PROFAMILIA); TBD
Total Funds Approved
109,009,269
Funds Committed (Phase 1)
22,985,612
Funds Committed (Renewals)
35,760,752
Total Disbursed
47,114,165

ECUADOR

Local Fund Agent
PwC
Round(s)
2,4,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Ministry of Public Health of the Republic of Ecuador; CARE Ecuador; TBD
Total Funds Approved
38,538,136
Funds Committed (Phase 1)
16,350,681
Funds Committed (Renewals)
13,812,490
Total Disbursed
22,349,870

EL SALVADOR

Local Fund Agent
STI
Round(s)
2,7
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The United Nations Development Programme (UNDP); El Salvador Ministry of Health
Total Funds Approved
49,021,744
Funds Committed (Phase 1)
25,393,383
Funds Committed (Renewals)
9,216,612
Total Disbursed
25,179,478

GUATEMALA

Local Fund Agent
EMG
Round(s)
3,4,6
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
Fundación Visión Mundial Guatemala
Total Funds Approved
58,400,397
Funds Committed (Phase 1)
21,399,219
Funds Committed (Renewals)
37,001,178
Total Disbursed
47,730,582

LATIN AMERICA & THE CARIBBEAN

GUYANA

Local Fund Agent
EMG
Round(s)
3,4,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Ministry of Health of Guyana; TBD
Total Funds Approved
32,969,369
Funds Committed (Phase 1)
13,479,956
Funds Committed (Renewals)
11,764,307
Total Disbursed
14,904,929

HAITI

Local Fund Agent
KPMG
Round(s)
1,3,5,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
Fondation SOGEBANK; The United Nations Development Programme; TBD
Total Funds Approved
247,961,205
Funds Committed (Phase 1)
72,285,890
Funds Committed (Renewals)
65,913,622
Total Disbursed
129,294,839

HONDURAS

Local Fund Agent
PwC
Round(s)
1
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The United Nations Development Programme; Cooperative Housing Foundation (d/b/a CHF International)
Total Funds Approved
69,694,608
Funds Committed (Phase 1)
20,931,517
Funds Committed (Renewals)
46,035,530
Total Disbursed
48,091,154

JAMAICA

Local Fund Agent
PwC
Round(s)
3,7
Programs Approved for Funding
HIV/AIDS
Principal Recipients
The Ministry of Health of the Government of Jamaica
Total Funds Approved
38,538,751
Funds Committed (Phase 1)
22,780,295
Funds Committed (Renewals)
15,758,456
Total Disbursed
24,305,751

MULTI-COUNTRY AMERICAS (ANDEAN)

Local Fund Agent
PwC
Round(s)
3
Programs Approved for Funding
Malaria
Principal Recipients
The Organismo Andino de Salud - Convenio Hipólito Unanue
Total Funds Approved
25,369,116
Funds Committed (Phase 1)
15,906,747
Funds Committed (Renewals)
9,462,369
Total Disbursed
18,100,513

MULTI-COUNTRY AMERICAS (CARICOM)

Local Fund Agent
EMG
Round(s)
3
Programs Approved for Funding
HIV/AIDS
Principal Recipients
The Caribbean Community Secretariat
Total Funds Approved
12,046,368
Funds Committed (Phase 1)
6,100,900
Funds Committed (Renewals)
5,945,468
Total Disbursed
10,096,818

MULTI-COUNTRY AMERICAS (CRN+)

Local Fund Agent
EMG
Round(s)
4
Programs Approved for Funding
HIV/AIDS
Principal Recipients
THE CARIBBEAN REGIONAL NETWORK OF PEOPLE LIVING WITH HIV/AIDS (CRN+)
Total Funds Approved
3,662,376
Funds Committed (Phase 1)
1,947,094
Funds Committed (Renewals)
1,715,282
Total Disbursed
2,577,894

MULTI-COUNTRY AMERICAS (MESO)

Local Fund Agent
PwC
Round(s)
4
Programs Approved for Funding
HIV/AIDS
Principal Recipients
INSTITUTO NACIONAL DE SALUD PÚBLICA (INSP)
Total Funds Approved
4,008,581
Funds Committed (Phase 1)
2,181,050
Funds Committed (Renewals)
1,827,531
Total Disbursed
2,818,540

MULTI-COUNTRY AMERICAS (OECS)

Local Fund Agent
EMG
Round(s)
3
Programs Approved for Funding
HIV/AIDS
Principal Recipients
The Organization Of Eastern Caribbean States
Total Funds Approved
8,898,774
Funds Committed (Phase 1)
2,553,861
Funds Committed (Renewals)
6,344,913
Total Disbursed
4,425,039

MULTI-COUNTRY AMERICAS (REDCA+)

Local Fund Agent
STI
Round(s)
7
Programs Approved for Funding
HIV/AIDS
Principal Recipients
Sistema de la Integración Centroamericana (SICA) and Secretaria de la Integración Social Centroamericana (SISCA)
Total Funds Approved
1,722,700
Funds Committed (Phase 1)
1,722,700
Funds Committed (Renewals)
0
Total Disbursed
311,319

NICARAGUA

Local Fund Agent
STI
Round(s)
2,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
Federación Red NICASALUD; TBD
Total Funds Approved
59,951,154
Funds Committed (Phase 1)
11,570,722
Funds Committed (Renewals)
9,829,192
Total Disbursed
17,717,207

PANAMA

Local Fund Agent
PwC
Round(s)
1
Programs Approved for Funding
Tuberculosis
Principal Recipients
The United Nations Development Programme
Total Funds Approved
553,817
Funds Committed (Phase 1)
440,000
Funds Committed (Renewals)
113,817
Total Disbursed
553,817

PARAGUAY

Local Fund Agent
PwC
Round(s)
3,6,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
Alter Vida - Centro de Estudios y Formación para el Ecodesarrollo; FUNDACION COMUNITARIA CENTRO DE INFORMACION Y RECURSOS PARA EL DESARROLLO (CIRD); TBD
Total Funds Approved
15,053,155
Funds Committed (Phase 1)
6,816,000
Funds Committed (Renewals)
1,604,643
Total Disbursed
6,633,342

PERU

Local Fund Agent
PwC
Round(s)
2,5,6,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
CARE Peru; TBD
Total Funds Approved
133,130,018
Funds Committed (Phase 1)
81,690,341
Funds Committed (Renewals)
11,846,928
Total Disbursed
74,382,161

SURINAME

Local Fund Agent
PwC
Round(s)
3,4,5,7
Programs Approved for Funding
HIV/AIDS, Malaria
Principal Recipients
The Ministry of Health of the Government of the Republic of Suriname; Medische Zending - Primary Health Care Suriname
Total Funds Approved
14,050,676
Funds Committed (Phase 1)
9,922,882
Funds Committed (Renewals)
4,127,794
Total Disbursed
9,318,789

MIDDLE EAST & NORTH AFRICA

ALGERIA

Local Fund Agent
KPMG
Round(s)
3
Programs Approved for Funding
HIV/AIDS
Principal Recipients
The Ministry of Health, Population and Hospital Reform of the Government of the People's Democratic Republic of Algeria
Total Funds Approved
8,869,360
Funds Committed (Phase 1)
6,185,000
Funds Committed (Renewals)
2,684,360
Total Disbursed
6,945,289

CHAD

Local Fund Agent
STI
Round(s)
2,3,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Fonds de Soutien aux Activités en matière de Population (FOSAP, Support Fund for Population Activities); TBD
Total Funds Approved
77,407,846
Funds Committed (Phase 1)
8,644,119
Funds Committed (Renewals)
12,178,546
Total Disbursed
10,632,033

DJIBOUTI

Local Fund Agent
STI
Round(s)
4,6
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
Executive Secretariat for the Fight Against AIDS, Malaria and TB
Total Funds Approved
18,473,990
Funds Committed (Phase 1)
13,746,990
Funds Committed (Renewals)
4,727,000
Total Disbursed
17,674,911

EGYPT

Local Fund Agent
KPMG
Round(s)
2,6
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
National TB Control Program, The Ministry of Health and Population of the Government of Egypt; National AIDS Programme, Ministry of Health and Population
Total Funds Approved
14,728,442
Funds Committed (Phase 1)
13,176,647
Funds Committed (Renewals)
1,551,795
Total Disbursed
9,716,294

IRAQ

Local Fund Agent
KPMG
Round(s)
6
Programs Approved for Funding
Tuberculosis
Principal Recipients
The United Nations Development Programme
Total Funds Approved
6,443,900
Funds Committed (Phase 1)
6,443,900
Funds Committed (Renewals)
0
Total Disbursed
6,443,900

JORDAN

Local Fund Agent
KPMG
Round(s)
2,5,6
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The Ministry of Health of the Government of the Hashemite Kingdom of Jordan; National Tuberculosis Program, Ministry of Health
Total Funds Approved
8,336,272
Funds Committed (Phase 1)
5,920,972
Funds Committed (Renewals)
2,415,300
Total Disbursed
5,797,552

MALI

Local Fund Agent
STI
Round(s)
1,4,6,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Ministry of Health of the Government of the Republic of Mali; The National High Council for HIV/AIDS control of the government of the Republic of Mali; Groupe Pivot Santé Population; TBD
Total Funds Approved
131,614,623
Funds Committed (Phase 1)
41,603,475
Funds Committed (Renewals)
33,609,936
Total Disbursed
52,890,854

MAURITANIA

Local Fund Agent
PwC
Round(s)
2,5,6,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The United Nations Development Programme; Secrétariat Exécutif, Comité National de Lutte Contre le SIDA; TBD
Total Funds Approved
32,267,343
Funds Committed (Phase 1)
17,259,014
Funds Committed (Renewals)
12,235,953
Total Disbursed
15,585,027

MOROCCO

Local Fund Agent
PwC
Round(s)
1,6
Programs Approved for Funding
HIV/AIDS, Tuberculosis
Principal Recipients
The Ministry of Health of the Government of the Kingdom of Morocco
Total Funds Approved
22,141,527
Funds Committed (Phase 1)
17,641,579
Funds Committed (Renewals)
4,499,948
Total Disbursed
19,713,347

MIDDLE EAST & NORTH AFRICA

NIGER

Local Fund Agent

STI

Round(s)

3,4,5,7

Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The National Multi-sectorial Coordination Unit for the Fight Against HIV/AIDS/STI of the Government of the Republic of Niger; Centre of International Cooperation in Health and Development (CCISD); The United Nations Development Programme; The International Federation of Red Cross and Red Crescent Societies; Catholic Relief Services (CRS)

Total Funds Approved

96,559,237

Funds Committed (Phase 1)

82,225,446

Funds Committed (Renewals)

14,333,791

Total Disbursed

55,409,182

SOMALIA

Local Fund Agent

PwC

Round(s)

2,3,4,6,7,8

Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The United Nations Children's Fund; World Vision-Somalia; TBD

Total Funds Approved

99,132,073

Funds Committed (Phase 1)

46,325,609

Funds Committed (Renewals)

27,137,415

Total Disbursed

56,458,512

SUDAN

Local Fund Agent

KPMG

Round(s)

2,3,4,5,7,8

Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The United Nations Development Programme; Population Services International; TBD

Total Funds Approved

284,331,698

Funds Committed (Phase 1)

134,104,901

Funds Committed (Renewals)

52,710,316

Total Disbursed

136,663,588

SYRIAN ARAB REPUBLIC

Local Fund Agent

STI

Round(s)

6

Programs Approved for Funding
Tuberculosis

Principal Recipients

The United Nations Development Programme

Total Funds Approved

4,578,047

Funds Committed (Phase 1)

4,578,047

Funds Committed (Renewals)

0

Total Disbursed

2,432,411

TUNISIA

Local Fund Agent

PwC

Round(s)

6,8

Programs Approved for Funding
HIV/AIDS, Tuberculosis

Principal Recipients

National Office for Family and Population (Office National de la famille et de la population) - ONFP; TBD

Total Funds Approved

13,965,514

Funds Committed (Phase 1)

9,565,500

Funds Committed (Renewals)

0

Total Disbursed

6,229,530

WEST BANK AND GAZA

Local Fund Agent

STI

Round(s)

7,8

Programs Approved for Funding
HIV/AIDS, Tuberculosis

Principal Recipients

The United Nations Development Programme; TBD

Total Funds Approved

6,367,600

Funds Committed (Phase 1)

5,014,330

Funds Committed (Renewals)

0

Total Disbursed

2,355,254

YEMEN

Local Fund Agent

KPMG

Round(s)

2,3,4,7

Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The National Malaria Programme at the Ministry of Public Health and Population of the Republic of Yemen; The National AIDS Program; National Population Council-Technical Secretariat; The United Nations Development Programme; The National TB Control Program

Total Funds Approved

40,499,924

Funds Committed (Phase 1)

20,252,904

Funds Committed (Renewals)

20,247,020

Total Disbursed

23,440,382

SOUTH ASIA

AFGHANISTAN

Local Fund Agent

KPMG

Round(s)

2,4,5,7,8

Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The Ministry of Public Health of the Islamic Republic of Afghanistan; GTZ-IS (Gesellschaft für Technische Zusammenarbeit - German Technical Cooperation - International Services; TBD

Total Funds Approved

91,805,757

Funds Committed (Phase 1)

24,798,137

Funds Committed (Renewals)

1,109,450

Total Disbursed

19,363,887

BANGLADESH

Local Fund Agent

UNOPS

Round(s)

2,3,5,6,8

Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The Economic Relations Division, Ministry of Finance, The Government of the People's Republic of Bangladesh; BRAC (Bangladesh Rural Advancement Committee); TBD

Total Funds Approved

143,692,392

Funds Committed (Phase 1)

65,365,251

Funds Committed (Renewals)

72,699,378

Total Disbursed

89,806,883

BHUTAN

Local Fund Agent

UNOPS

Round(s)

4,6,7

Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

Gross National Happiness (GNH) Commission, Royal Government of Bhutan

Total Funds Approved

7,022,608

Funds Committed (Phase 1)

5,852,645

Funds Committed (Renewals)

1,169,963

Total Disbursed

4,027,527

INDIA

Local Fund Agent

The World Bank; PwC

Round(s)

1,2,3,4,6,7

Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The Population Foundation of India; Ministry of Finance, Government of India; India HIV/AIDS Alliance; Indian Nursing Council; Tata Institute of Social Sciences (TISS)

Total Funds Approved

560,476,449

Funds Committed (Phase 1)

220,070,449

Funds Committed (Renewals)

271,200,158

Total Disbursed

293,218,215

IRAN (ISLAMIC REPUBLIC OF)

Local Fund Agent

PwC

Round(s)

2,7,8

Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The United Nations Development Programme; TBD

Total Funds Approved

44,518,760

Funds Committed (Phase 1)

23,965,884

Funds Committed (Renewals)

10,224,855

Total Disbursed

13,961,878

MALDIVES

Local Fund Agent

UNOPS

Round(s)

6

Programs Approved for Funding
HIV/AIDS

Principal Recipients

The United Nations Development Programme

Total Funds Approved

2,655,685

Funds Committed (Phase 1)

2,655,685

Funds Committed (Renewals)

0

Total Disbursed

1,258,623

NEPAL

Local Fund Agent

PwC

Round(s)

2,4,7

Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The Ministry of Health of the Government of Nepal; The United Nations Development Programme; Population Services International (PSI); Save the Children USA, Himalayan Country Office; Family Planning Association of Nepal

Total Funds Approved

53,723,312

Funds Committed (Phase 1)

36,149,009

Funds Committed (Renewals)

17,574,303

Total Disbursed

28,359,364

PAKISTAN

Local Fund Agent

UNOPS

Round(s)

2,3,6,7,8

Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The National AIDS Control Programme on the Behalf of the Ministry of Health of the Government of Pakistan; Mercy Corps; National TB Control Programme (NTP) Pakistan; Directorate of Malaria Control, Ministry of Health, Government of the Islamic Republic of Pakistan; TBD

Total Funds Approved

72,610,817

Funds Committed (Phase 1)

52,218,602

Funds Committed (Renewals)

10,581,656

Total Disbursed

37,377,148

SRI LANKA

Local Fund Agent

PwC

Round(s)

1,4,6,8

Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The Ministry of Healthcare, Nutrition & Uva Wellness Development; Lanka Jatika Sarvodaya Shramadana Sangamaya; TBD

Total Funds Approved

45,652,323

Funds Committed (Phase 1)

15,373,082

Funds Committed (Renewals)

6,238,797

Total Disbursed

13,542,911

SUB-SAHARAN AFRICA (EAST AFRICA)

BURUNDI

Local Fund Agent

PwC

Round(s)

1,2,4,5,7,8

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

“Secretariat Executif Permanent” of the “Conseil National de Lutte Contre le SIDA” of the Government of the Republic of Burundi

(SEP/CNLS); The Projet Sante et Population II of The Ministry of Public Health in the Republic of Burundi; The Programme National Lèpre et Tuberculose (PNLT) of the Government of the Republic of Burundi; TBD

Total Funds Approved

128,815,043

Funds Committed (Phase 1)

37,628,344

Funds Committed (Renewals)

49,871,554

Total Disbursed

62,385,727

COMOROS

Local Fund Agent

PwC

Round(s)

2,3,8

Programs Approved for Funding HIV/AIDS, Malaria

Principal Recipients

Association Comorienne pour le Bien-Etre de la Famille (ASCOBEF); TBD

Total Funds Approved

10,972,251

Funds Committed (Phase 1)

2,220,231

Funds Committed (Renewals)

1,402,547

Total Disbursed

3,231,823

CONGO (DEMOCRATIC REPUBLIC OF THE)

Local Fund Agent

PwC

Round(s)

2,3,5,6,7,8

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The United Nations Development Programme; TBD

Total Funds Approved

454,238,750

Funds Committed (Phase 1)

127,724,503

Funds Committed (Renewals)

93,290,998

Total Disbursed

168,797,742

ERITREA

Local Fund Agent

PwC

Round(s)

2,3,5,6,8

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The Ministry of Health of the Government of the State of Eritrea; TBD

Total Funds Approved

82,890,174

Funds Committed (Phase 1)

35,295,517

Funds Committed (Renewals)

14,522,917

Total Disbursed

41,901,670

ETHIOPIA

Local Fund Agent

UNOPS

Round(s)

1,2,4,5,6,7,8

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The Federal Ministry of Health of the Government of the Federal Democratic Republic of Ethiopia; The HIV/AIDS Prevention and Control Office; Network of Networks of HIV Positives in Ethiopia (NEP+); Ethiopian Inter-Faith Forum for Development, Dialogue and Action (EIFDDA); TBD

Total Funds Approved

1,350,569,436

Funds Committed (Phase 1)

282,019,498

Funds Committed (Renewals)

495,989,525

Total Disbursed

560,288,108

KENYA

Local Fund Agent

PwC

Round(s)

1,2,4,5,6,7

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

Sanaa Art Promotions; Kenya Network of Women With AIDS; The Ministry of Finance of the Government of the Republic of Kenya; CARE International

Total Funds Approved

367,075,960

Funds Committed (Phase 1)

195,581,400

Funds Committed (Renewals)

91,071,169

Total Disbursed

160,144,081

MADAGASCAR

Local Fund Agent

PwC

Round(s)

1,2,3,4,7,8

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

Population Services International; Catholic Relief Services-Madagascar; Secrétariat Executif du Comité National de Lutte Contre le VIH/SIDA; UGP-CRESAN; TBD

Total Funds Approved

129,303,083

Funds Committed (Phase 1)

75,971,105

Funds Committed (Renewals)

32,576,439

Total Disbursed

91,455,858

MAURITIUS

Local Fund Agent

PwC

Round(s)

8

Programs Approved for Funding HIV/AIDS

Principal Recipients

TBD

Total Funds Approved

5,640,090

Funds Committed (Phase 1)

0

Funds Committed (Renewals)

0

Total Disbursed

0

RWANDA

Local Fund Agent

PwC

Round(s)

1,3,4,5,6,7,8

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria, Health Systems Strengthening

Principal Recipients

The Ministry of Health of the Government of Rwanda; TBD

Total Funds Approved

350,832,566

Funds Committed (Phase 1)

182,947,888

Funds Committed (Renewals)

109,317,677

Total Disbursed

224,333,262

TANZANIA

Local Fund Agent

PwC

Round(s)

1,3,4,6,7,8

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The Ministry of Finance of the Government of the United Republic of Tanzania; The Ministry of Health of the Government of the United Republic of Tanzania; Pact Tanzania; Population Services International; African Medical and Research Foundation (AMREF); TBD

Total Funds Approved

820,766,491

Funds Committed (Phase 1)

232,740,983

Funds Committed (Renewals)

330,591,019

Total Disbursed

384,096,420

UGANDA

Local Fund Agent

PwC

Round(s)

1,2,3,4,6,7

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria,

Principal Recipients

The Ministry of Finance, Planning and Economic Development of the Government of Uganda

Total Funds Approved

426,637,962

Funds Committed (Phase 1)

330,811,023

Funds Committed (Renewals)

12,228,425

Total Disbursed

158,150,025

ZANZIBAR (TANZANIA)

Local Fund Agent

PwC

Round(s)

1,2,3,4,6,8

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The Ministry of Health and Social Welfare of the Revolutionary Government of Zanzibar; Zanzibar AIDS Commission; TBD

Total Funds Approved

25,280,786

Funds Committed (Phase 1)

11,771,682

Funds Committed (Renewals)

5,648,309

Total Disbursed

11,930,163

SUB-SAHARAN AFRICA (SOUTHERN AFRICA)

ANGOLA

Local Fund Agent

GT

Round(s)

3,4,7

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The United Nations Development Programme; Ministry of Health of the Government of the Republic of Angola

Total Funds Approved

164,533,761

Funds Committed (Phase 1)

96,007,402

Funds Committed (Renewals)

68,526,359

Total Disbursed

86,602,425

BOTSWANA

Local Fund Agent

DEL

Round(s)

2,5

Programs Approved for Funding HIV/AIDS, Tuberculosis

Principal Recipients

The Ministry of Finance and Development Planning of the Government of Botswana

Total Funds Approved

24,096,314

Funds Committed (Phase 1)

24,096,314

Funds Committed (Renewals)

0

Total Disbursed

12,969,097

LESOTHO

Local Fund Agent

PwC

Round(s)

2,5,6,7,8

Programs Approved for Funding HIV/AIDS, Tuberculosis

Principal Recipients

The Ministry of Finance and Development Planning of the Government of the Kingdom of Lesotho; TBD

Total Funds Approved

139,254,585

Funds Committed (Phase 1)

36,995,853

Funds Committed (Renewals)

21,755,000

Total Disbursed

42,317,880

MALAWI

Local Fund Agent

EMG

Round(s)

1,2,5,7

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria, Health Systems Strengthening

Principal Recipients

The Registered Trustees of the National AIDS Commission Trust of the Republic of Malawi; The Ministry of Health of the Republic of Malawi

Total Funds Approved

478,494,727

Funds Committed (Phase 1)

149,486,549

Funds Committed (Renewals)

136,862,764

Total Disbursed

242,125,844

MOZAMBIQUE

Local Fund Agent

EMG

Round(s)

2,6,7,8

Programs Approved for Funding HIV/AIDS, Tuberculosis, Malaria

Principal Recipients

The National AIDS Council (CNCS) of Mozambique; The Ministry of Health of the Government of Mozambique; TBD

Total Funds Approved

219,942,279

Funds Committed (Phase 1)

106,188,154

Funds Committed (Renewals)

89,613,108

Total Disbursed

135,824,909

MULTI-COUNTRY AFRICA(RMCC)

Local Fund Agent

PwC

Round(s)

2,5

Programs Approved for Funding Malaria

Principal Recipients

The Medical Research Council

Total Funds Approved

53,367,677

Funds Committed (Phase 1)

13,591,459

Funds Committed (Renewals)

14,342,025

Total Disbursed

27,427,334

NAMIBIA

SUB-SAHARAN AFRICA (WEST & CENTRAL AFRICA)

BENIN

Local Fund Agent
STI
Round(s)
1,2,3,5,6,7
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The United Nations Development Programme; Africare; Ministry of Health of the Government of the Republic of Benin; Catholic Relief Services - USCCB
Total Funds Approved
66,058,875
Funds Committed (Phase 1)
57,494,983
Funds Committed (Renewals)
8,563,892
Total Disbursed
47,991,308

BURKINA FASO

Local Fund Agent
STI
Round(s)
2,4,6,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The United Nations Development Programme; Permanent Secretariat/National Council to Fight Against HIV/AIDS; National Council for the Struggle against HIV/AIDS and STI (SP/CNLS-IST); TBD
Total Funds Approved
177,841,464
Funds Committed (Phase 1)
68,383,590
Funds Committed (Renewals)
18,765,934
Total Disbursed
57,057,149

CAMEROON

Local Fund Agent
PwC
Round(s)
3,4,5
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Ministry of Public Health of the Government of the Republic of Cameroon; CARE International in Cameroon
Total Funds Approved
136,192,886
Funds Committed (Phase 1)
59,644,910
Funds Committed (Renewals)
68,367,137
Total Disbursed
86,932,610

CAPE VERDE

Local Fund Agent
PwC
Round(s)
8
Programs Approved for Funding
HIV/AIDS
Principal Recipients
TBD
Total Funds Approved
5,321,184
Funds Committed (Phase 1)
0
Funds Committed (Renewals)
0
Total Disbursed
0

CENTRAL AFRICAN REPUBLIC

Local Fund Agent
PwC
Round(s)
2,4,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The United Nations Development Programme; National Coordination of the National AIDS Control Committee of the Government of the Central African Republic; TBD
Total Funds Approved
92,193,948
Funds Committed (Phase 1)
41,320,533
Funds Committed (Renewals)
35,743,085
Total Disbursed
49,097,342

CONGO (REPUBLIC OF THE)

Local Fund Agent
PwC
Round(s)
5,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
Secretariat Executif du Conseil National de Lutte Contre le Sida (CNLS); TBD
Total Funds Approved
81,234,086
Funds Committed (Phase 1)
12,043,407
Funds Committed (Renewals)
0
Total Disbursed
10,586,465

CÔTE D'IVOIRE

Local Fund Agent
PwC
Round(s)
2,3,5,6,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The United Nations Development Programme; CARE Cote d'Ivoire; CARE FRANCE; National Program to Fight Against TB (PNLT); TBD
Total Funds Approved
262,659,721
Funds Committed (Phase 1)
39,704,611
Funds Committed (Renewals)
28,999,630
Total Disbursed
57,110,700

EQUATORIAL GUINEA

Local Fund Agent
STI
Round(s)
4,5
Programs Approved for Funding
HIV/AIDS, Malaria
Principal Recipients
The United Nations Development Programme; Medical Care Development International
Total Funds Approved
32,899,142
Funds Committed (Phase 1)
17,304,875
Funds Committed (Renewals)
5,426,072
Total Disbursed
16,144,324

GABON

Local Fund Agent
PwC
Round(s)
3,4,5,8
Programs Approved for Funding
HIV/AIDS, Malaria
Principal Recipients
The United Nations Development Programme; TBD
Total Funds Approved
43,397,629
Funds Committed (Phase 1)
14,958,052
Funds Committed (Renewals)
5,828,733
Total Disbursed
19,667,127

GAMBIA

Local Fund Agent
PwC
Round(s)
3,5,6,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The National AIDS Secretariat of the Republic of the Gambia; The Department of State for Health of the Republic of the Gambia; TBD
Total Funds Approved
63,833,080
Funds Committed (Phase 1)
23,613,690
Funds Committed (Renewals)
18,994,903
Total Disbursed
36,106,945

GHANA

Local Fund Agent
PwC
Round(s)
1,2,4,5,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Ministry of Health of the Republic of Ghana; TBD
Total Funds Approved
377,066,572
Funds Committed (Phase 1)
76,637,540
Funds Committed (Renewals)
119,527,471
Total Disbursed
139,368,637

GUINEA

Local Fund Agent
PwC
Round(s)
2,5,6
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Ministry of Public Health of the Government of the Republic of Guinea
Total Funds Approved
42,473,175
Funds Committed (Phase 1)
37,626,766
Funds Committed (Renewals)
4,846,409
Total Disbursed
15,716,646

SUB-SAHARAN AFRICA (WEST & CENTRAL AFRICA)

GUINEA-BISSAU

Local Fund Agent
H-C
Round(s)
3,4,6,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The United Nations Development Programme; Ministry of Health; National Secretariat to Fight AIDS of the Government of Guinea-Bissau; TBD
Total Funds Approved
27,072,921
Funds Committed (Phase 1)
21,177,053
Funds Committed (Renewals)
5,066,855
Total Disbursed
7,521,034

LIBERIA

Local Fund Agent
PwC
Round(s)
2,3,6,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The United Nations Development Programme; TBD
Total Funds Approved
75,643,475
Funds Committed (Phase 1)
55,443,888
Funds Committed (Renewals)
0
Total Disbursed
44,440,852

MULTI-COUNTRY AFRICA (WEST AFRICA CORRIDOR PROGRAM)

Local Fund Agent
PwC
Round(s)
6
Programs Approved for Funding
HIV/AIDS
Principal Recipients
Abidjan-Lagos Corridor Organization (OCAL/ALCO)
Total Funds Approved
19,092,500
Funds Committed (Phase 1)
19,092,500
Funds Committed (Renewals)
0
Total Disbursed
13,297,979

NIGERIA

Local Fund Agent
PwC
Round(s)
1,2,4,5,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
National Action Committee on AIDS of the Federal Government of Nigeria; The Yakubu Gowon Center for National Unity and International Cooperation; Society for Family Health; National Agency for the control of AIDS; Society for Family Health; Association For Reproductive And Family Health (ARFH); Christian Health Association of Nigeria; TBD
Total Funds Approved
647,993,504
Funds Committed (Phase 1)
163,819,843
Funds Committed (Renewals)
56,843,773
Total Disbursed
181,579,211

SAO TOME & PRINCIPE

Local Fund Agent
STI
Round(s)
4,5,7,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The United Nations Development Programme; TBD
Total Funds Approved
10,143,674
Funds Committed (Phase 1)
6,566,288
Funds Committed (Renewals)
1,791,903
Total Disbursed
5,350,717

SENEGAL

Local Fund Agent
H-C
Round(s)
1,4,6,7
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The National AIDS Council of Senegal; Alliance Nationale Contre le SIDA; The Ministry of Health of the Government of the Republic of Senegal
Total Funds Approved
87,390,784
Funds Committed (Phase 1)
74,348,809
Funds Committed (Renewals)
13,041,975
Total Disbursed
50,387,898

SIERRA LEONE

Local Fund Agent
PwC
Round(s)
2,4,6,7
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The Sierra Leone Red Cross Society; The Sierra Leone National HIV/AIDS Secretariat; Ministry of Health and Sanitation
Total Funds Approved
56,380,959
Funds Committed (Phase 1)
44,004,957
Funds Committed (Renewals)
12,376,002
Total Disbursed
33,898,291

TOGO

Local Fund Agent
PwC
Round(s)
2,3,4,6,8
Programs Approved for Funding
HIV/AIDS, Tuberculosis, Malaria
Principal Recipients
The United Nations Development Programme; Population Services International; TBD
Total Funds Approved
118,792,873
Funds Committed (Phase 1)
46,358,114
Funds Committed (Renewals)
26,942,485
Total Disbursed
57,496,360

GLOBAL (LWF)

Local Fund Agent
EMG
Round(s)
1
Programs Approved for Funding
HIV/AIDS
Principal Recipients
The Lutheran World Federation
Total Funds Approved
700,000
Funds Committed (Phase 1)
485,000
Funds Committed (Renewals)
215,000
Total Disbursed
700,000

GLOBAL GROWTH
2008 GLOBAL FUND

FINANCIAL STATEMENTS

Financial statements of the Global Fund to Fight AIDS, Tuberculosis and Malaria as of 31 December 2008 prepared in accordance with international financial reporting standards together with the report of the independent auditors.

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To the Foundation Board of
The Global Fund to Fight AIDS, Tuberculosis and Malaria, Geneva

Geneva, [DD MMMM YYYY]

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of The Global Fund to Fight AIDS, Tuberculosis and Malaria (the "Global Fund"), which comprise the statement of financial position, statements of activities, cash flows and changes in funds, and notes for the year then ended.

The Global Fund's secretariat responsibility

The Global Fund's secretariat is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards, the requirements of Swiss law and the Global Fund's by-laws. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Global Fund's secretariat is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) as well as Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Member of the Swiss Institute of Certified Accountants and Tax Consultants

2

Opinion

In our opinion, the financial statements for the year ended 31 December 2008 present a fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards, comply with Swiss law and the Global Fund's by-laws.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (Art. 728 Code of Obligations (CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Global Fund's secretariat.

Ernst & Young Ltd

Mark Hawkins
Licensed audit expert
(Auditor in charge)

Thomas Madoery
Licensed audit expert

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2008

In thousands of U.S. dollars	NOTES	2008	2007
ASSETS			
Cash and bank balances	2.4, 3.1	60	279
Funds held in trust	2.4, 2.5, 3.1, 3.2	5,156,053	4,337,357
Promissory notes maturing within one year	2.6, 3.3	298,266	356,102
Contributions receivable within one year	2.6, 3.4	665,095	270,209
Prepayments and miscellaneous receivables		2,803	108
		<u>6,122,277</u>	<u>4,964,055</u>
Promissory notes maturing after one year	2.6, 3.3	154,282	140,039
Contributions receivable after one year	2.6, 3.4	777,563	404,234
		<u>931,845</u>	<u>544,273</u>
Total ASSETS		<u>7,054,122</u>	<u>5,508,328</u>
LIABILITIES and FUNDS			
LIABILITIES			
Undisbursed grants payable within one year	2.7, 3.6.1	2,472,111	2,053,863
Accrued expenses	3.6.2	49,341	3,808
		<u>2,521,452</u>	<u>2,057,671</u>
Undisbursed grants payable after one year	2.7, 3.6.1	585,542	893,288
Total LIABILITIES		<u>3,106,994</u>	<u>2,950,959</u>
FUNDS at the end of the year		<u>3,947,128</u>	<u>2,557,369</u>
Total LIABILITIES and FUNDS		<u>7,054,122</u>	<u>5,508,328</u>

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2008

In thousands of U.S. dollars	NOTES	2008	2007
INCOME			
Contributions	2.6, 3.5	3,714,202	2,963,751
Foreign currency exchange (loss)	2.6	(83,711)	(50,870)
Trust fund income	2.5	289,722	240,502
Total INCOME		<u>3,920,213</u>	<u>3,153,383</u>
EXPENDITURE			
Grants	2.7, 3.7	2,369,752	2,582,474
Foreign currency exchange (gain)/loss	2.7	(4,941)	13,555
Operating expenses	3.8	165,643	117,242
Total EXPENDITURE		<u>2,530,454</u>	<u>2,713,271</u>
INCREASE IN FUNDS for the year		<u>1,389,759</u>	<u>440,112</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2008

In thousands of U.S. dollars	NOTES	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions received		2,905,030	2,802,496
Trust fund income	2.5	289,722	240,502
		<u>3,194,752</u>	<u>3,042,998</u>
Grants disbursed in the year		(2,254,308)	(1,724,365)
Payments to suppliers and personnel		(121,967)	(117,375)
		<u>(2,376,275)</u>	<u>(1,841,740)</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
being the net increase in cash and cash equivalents			
		818,477	1,201,258
CASH AND CASH EQUIVALENTS			
at beginning of the year	2.4	<u>4,337,636</u>	<u>3,136,378</u>
CASH AND CASH EQUIVALENTS			
at end of the year	2.4, 3.1	<u><u>5,156,113</u></u>	<u><u>4,337,636</u></u>

STATEMENT OF CHANGES IN FUNDS AT 31 DECEMBER 2008

FUNDS at the beginning of the year		<u>2,557,369</u>	<u>2,117,257</u>
INCREASE IN FUNDS for the year		1,389,759	440,112
FUNDS at the end of the year		<u><u>3,947,128</u></u>	<u><u>2,557,369</u></u>
Attributed as follows:			
Foundation capital		50	50
Temporarily restricted funds	2.6	46,251	12,452
Unrestricted funds		<u>3,900,827</u>	<u>2,544,867</u>
		<u><u>3,947,128</u></u>	<u><u>2,557,369</u></u>

1. ACTIVITIES AND ORGANIZATION

The Global Fund to Fight AIDS, Tuberculosis and Malaria (the "Global Fund") is an independent, non-profit foundation that was incorporated in Geneva, Switzerland, on 22 January 2002. The purpose of the Global Fund is to attract and disburse additional resources to prevent and treat AIDS, tuberculosis and malaria. The Global Fund provides grants to locally-developed programs, working in close collaboration with governments, nongovernmental organizations, the private sector, development agencies and the communities affected by these diseases.

The Global Fund has been founded on the following principles:

- Rely on local experts to implement programs directly;
- Make available and leverage additional financial resources to combat the three diseases;
- Support programs that reflect national ownership and respect country-led formulation and implementation processes;
- Operate in a balanced manner in terms of different regions, diseases and interventions;
- Pursue an integrated and balanced approach covering prevention, treatment and care, and support in dealing with the three diseases;
- Evaluate proposals through independent review processes based on the most appropriate scientific and technical standards that take into account local realities and priorities;
- Seek to establish a simplified, rapid, innovative grant-making process and operate in a transparent and accountable manner based on clearly defined responsibilities. One accountability mechanism is the use of Local Fund Agents to assess local capacity to administer and manage the implementation of funded programs.

Financial contributions to the Global Fund are held in the Trust Fund for the Global Fund to Fight AIDS, Tuberculosis and Malaria (the "Trust Fund") until disbursed as grants or for operating expenses. The Trust Fund is administered by the International Bank for Reconstruction and Development (the "World Bank"), as Trustee. The responsibilities of the Trustee include management of contributions and investment of resources according to its own investment strategy. The Trustee makes disbursements from the Trust Fund only upon written instruction of the Global Fund.

Most contributions are received directly in the Trust Fund. Some contributions for the benefit of Global Fund are also received by the United Nations Foundation and are held in trust for the Global Fund until subsequently transferred to the Trust Fund.

Personnel and administrative services to support the operations of the Global Fund are provided by the World Health Organization ("WHO") under an agreement between WHO and the Global Fund. The Global Fund bears in full the cost of these personnel and services. Funds remitted to WHO for this purpose are treated as funds held in trust by WHO for the benefit of the Global Fund until an expenditure obligation is incurred.

These financial statements were authorized for issuance by the Board on 6 May 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with and comply with the International Financial Reporting Standards issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These standards currently do not contain specific guidelines for non-profit organizations concerning the accounting treatment and presentation of the financial statements. Consequently, Statement of Financial Accounting Standard (“SFAS”) 116: “Accounting for Contributions Received and Contributions Made” has been applied in respect of the recognition of contributions and grants, and SFAS 117: “Financial Statements of Not-for-Profit Organizations” has been applied in respect of temporarily restricted contributions and funds balance.

2.2 BASIS OF PRESENTATION

The financial statements are presented in US dollars, the Global Fund’s operating currency, rounded to the nearest thousand. Management elected not to operate and report in Swiss Francs, the domestic currency, as its cash flows are primarily in US dollars.

The financial statements are prepared under the historical cost convention, except for the following assets and liabilities:

- funds held in trust as indicated in Note 2.5;
- non-current contributions receivable and promissory notes as indicated in Note 2.6; and
- non-current undisbursed grants as indicated in Note 2.7.

The preparation of the financial statements requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and reported amounts of income and expenses during the reporting period. If in the future such estimates and assumptions, which are based on management’s best judgment at the date of the financial statements, deviate from actual circumstances, the original estimates and assumptions will be modified through the statement of activities as appropriate in the year in which the circumstances change.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of long-term portions of Assets and Liabilities: Valued based on the expected cash flows discounted using the rates of investment returns on funds held in trust respectively in US dollars and Euros and applied to long-term assets and liabilities denominated in those currencies. Long-term assets and liabilities are held in the currency of the trust fund to which these will be eventually applied. This valuation requires the Global Fund to make estimates about expected future cash flows and discount rates, and hence they are subject to uncertainty.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 FOREIGN CURRENCY

All transactions in other currencies are translated into US dollars at the exchange rate prevailing at the time of the transaction. Financial assets and liabilities in other currencies are translated into US dollars at the year-end rate.

2.4 CASH AND CASH EQUIVALENTS

The Global Fund considers that cash and cash equivalents include cash and bank balances and funds held in trust that are readily convertible to cash within three months.

2.5 FUNDS HELD IN TRUST

The financial statements include funds that are held in trust solely for the benefit of the Global Fund by the World Bank, WHO (and United Nations Foundation until 2007).

Assets held in trust by the World Bank are held in a pooled cash and investments portfolio established by the Trustee for all trust funds administered by the World Bank Group. These investments are actively managed and invested in high-grade instruments according to the risk management strategy adopted by the World Bank. The objectives of the investment portfolio strategy are to maintain adequate liquidity to meet foreseeable cash flow needs, preserve capital (low probability of negative total returns over the course of a fiscal year) and optimize investment returns.

The movement of fair value of funds held in trust is recognized in the Statement of Activities.

2.6 CONTRIBUTIONS

In accordance with SFAS 116 contributions governed by a written contribution agreement are recorded as income when the agreement is signed. Other contributions are recorded as income upon receipt of cash or cash equivalents, at the amount received.

Contributions are considered received when remitted in cash or cash equivalent, or deposited by a sovereign state as a promissory note, letter of credit or similar financial instrument.

Contributions receivable under written contribution agreements signed on or before the date of the statement of financial position but which have not been received at that date are recorded as an asset and as income. Promissory notes maturing and contributions receivable later than one year after the date of the statement of financial position are discounted to estimate their present value at this same date. The movement in valuation of promissory notes and contributions receivable is recognized in the Statement of Activities.

Foreign currency exchange gains and losses realized between the date of the written contribution agreement and the date of the actual receipt of cash and those unrealized at the date of the statement of financial position are reported separately in the Statement of Activities.

In accordance with SFAS 117 contributions received whose use is limited by donor-imposed purpose or time restrictions have been classified as temporarily restricted contributions.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-cash contributions donated in the form of goods or services (in-kind contributions) are recognized at the time of receipt and reported as equal contributions and expenses in the Statement of Activities, at their estimated economic value to the Global Fund.

2.7 GRANTS

All grants are governed by a written grant agreement and, in accordance with SFAS 116, are expensed in full when the agreement is signed.

Grants or portions of grants that have not been disbursed at the date of the statement of financial position are recorded as liabilities. The long-term portion of such liabilities represents amounts that are to be disbursed later than one year after the date of the statement of financial position, discounted to estimate its present value at this same date. The movement in valuation of undisbursed grants is recognized in the Statement of Activities.

Foreign currency exchange gains and losses realized between the date of the written grant agreement and the date of the actual disbursement of cash and those unrealized at the date of the statement of financial position are reported separately in the Statement of Activities.

2.8 IMPAIRMENT OF FINANCIAL ASSETS

The Global Fund assesses at the date of statement of financial position whether a financial asset or group of financial assets is impaired. This assessment identified no impaired financial assets, but the following policy would apply in the event of impairment:

Contributions receivable and promissory notes at amortized cost: If there were objective evidence that an impairment loss on assets carried at amortized cost had been incurred, the amount of the loss would be measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that had not been incurred) discounted at the financial asset's original effective rate of investment return (i.e. the effective rate of investment return computed at initial recognition). The carrying amount of the asset would be reduced through use of an allowance account and the loss would be recognized in the Statement of Activities.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease could be related objectively to an event occurring after the impairment had been recognized, the previously recognized impairment loss would be reversed, to the extent that the carrying value of the asset would not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss would be recognized in the Statement of Activities.

In relation to promissory notes and contributions receivable, a provision for impairment would be made if there were objective evidence (such as the probability of insolvency or significant financial difficulties of the donor or debtor) that the Global Fund would not be able to collect all of the amounts due under the terms of the written contribution agreement or the invoice. The carrying amount of the promissory note or contribution receivable would be reduced through use of an allowance account. Impaired debts would be derecognized if they were assessed as uncollectible.

Available-for-sale financial investments: The Global Fund has no available-for-sale financial instruments at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.9 LOCAL FUND AGENT FEES**

Fees to Local Fund Agents to assess local capacity prior to and during grant negotiation, and to manage and monitor implementation of funded programs as grants are disbursed, are expensed as the work is completed.

2.10 EMPLOYEE BENEFITS

All personnel and related costs, including current and post employment benefits are managed by WHO and charged in full to the Global Fund. A provision for US\$ 12 million has been created to compensate staff for the loss of the value of employer contributions to retirement benefits resulting from the early withdrawal from UN Joint Staff Pension Fund.

2.11 CHANGES IN ACCOUNTING AND REPORTING**2.11.1 Current Year Changes in Accounting and Reporting**

Foreign exchange gains and losses are presented separately in the Statement of Activities. Comparative information in the financial statements has been reclassified where necessary. Also, the Global Fund adopted the following new and amended IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations during the year. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Global Fund. Foreign exchange gains and losses are presented separately in the Statement of Activities. Comparative information in the financial statements has been reclassified where necessary.

- IFRIC 11 IFRS 2 *Group and Treasury Share Transactions*
This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed.
- IFRIC 12 *Service Concession Arrangements*
This interpretation applies to service concession operators and explains how to account for the obligations under taken and rights received in service concession arrangements.
- IFRIC 14 IAS 19 *The Limit on a Defined - Benefit Asset, Minimum Funding Requirements and their Interaction*
This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognized as an asset under IAS 19 Employee Benefits.

2.11.2 Future Changes in Accounting and Reporting

The IASB and IFRIC issued a number of new standards and interpretations through May 2009 as follows, none of which will impact the Global Fund's financial statements when implemented:

- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards and IAS 27: Consolidated and Separate Financial Statements* – amendments issued in May 2008 and become effective for financial years beginning on or after 1 January 2009.
The amendments to IFRS 1 relate to opening IFRS financial statements. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognized in the income statement in the separate financial statement.
- IFRS 2 *Share-based Payment (Revised)* – amendment issued in January 2008 and become effective for financial years beginning on or after 1 January 2009. The amendment clarifies the definition of a vesting condition and prescribes the treatment for an award that is effectively cancelled.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- IFRS 3R *Business Combinations and IAS 27R Consolidated and Separate Financial Statements* – issued in January 2008 and become effective for financial years beginning on or after 1 July 2009. IFRS 3R introduces a number of changes in the accounting for business combinations occurring after this date that will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results.
- IFRS 8 *Operating Segments* – issued in November 2006 and becomes effective for financial years beginning on or after 1 January 2009. The standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's financial decision makers.
- IAS 1 *Presentation of Financial Statements* revised in September 2007 for implementation on 1 January 2009. The Standard separates owner and non-owner changes in equity.
- IAS 23 *Borrowing Costs* – issued in March 2007 and becomes effective for financial years beginning on or after 1 January 2009. The standard has been revised to require capitalization of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale.
- IAS 32 *Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation* These amendments were issued in February 2008 and become effective for financial years beginning on or after 1 January 2009. The revisions provide a limited scope exception for puttable instruments to be classified as equity if they fulfil a number of specified features.
- IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* – issued in August 2008 and become effective for financial years beginning on or after 1 July 2009. The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations.
- IFRIC 13 *Customer Loyalty Programs* issued in June 2007 and becomes effective for financial years beginning on or after 1 July 2008. This interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled.
- IFRIC 15 *Agreement for the Construction of Real Estate* – issued in July 2008 and becomes effective for financial years beginning on or after 1 January 2009. It clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognized if an agreement between a developer and a buyer is reached before the construction of the real estate is completed.
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* – issued in July 2008 and becomes effective for financial years beginning on or after 1 October 2008. IFRIC 16 provides guidance on the accounting for a hedge of a net investment.
- IFRIC 17 *Distributions of non-cash assets to owners* – issued in October 2008 and becomes effective for financial years beginning on or after 1 July 2009. IFRIC 17 provides guidance on the treatment of distributing assets other than cash to owners.
- IFRIC 18 *Transfers of assets from customers* – issued in October 2008 and becomes effective for financial years beginning on or after 1 July 2009. IFRIC 18 provides guidance on how to treat the transfer of asset that provide access to utility networks.

3. DETAILS RELATING TO THE FINANCIAL STATEMENTS

In thousands of U.S. dollars unless otherwise stipulated

3.1 CASH AND CASH EQUIVALENTS

	2008	2007
Cash and bank balances	60	279
Funds held in trust	5,156,053	4,337,357
	5,156,113	4,337,636

3.2 FUNDS HELD IN TRUST

	2008	2007
World Bank	5,080,968	4,301,895
World Health Organization	75,085	32,612
United Nations Foundation	-	2,850
	5,156,053	4,337,357

3.3 PROMISSORY NOTES

	2008	2007
Maturing in 2008	-	356,102
Maturing in 2009	298,266	140,039
Maturing in 2010	154,282	-
	452,548	496,141

3.4 CONTRIBUTIONS RECEIVABLE*

	2008	2007
Receivable within one year	665,095	270,209
Receivable after one year	777,563	404,234
	1,442,658	674,443

* Comprises amounts receivable under written contribution agreements signed on or before 31 December 2008 and 2007 respectively that had not been received at that date.

3. DETAILS RELATING TO THE FINANCIAL STATEMENTS (CONTINUED)

In thousands of U.S. dollars unless otherwise stipulated

3.5 CONTRIBUTIONS

	2008	2007
Governments	3,562,999	2,867,303
Private sector	1,533	49,224
Temporarily restricted - Governments	8,006	-
Temporarily restricted - Others	141,664	47,224
	3,714,202	2,963,751
Contributions received including encashed promissory notes	2,830,714	2,853,366
Increase in promissory notes to be encashed	13,517	76,735
Increase in contributions receivable	869,131	32,053
Contributions in kind	840	1,597
	3,714,202	2,963,751

3.6 LIABILITIES**3.6.1 Undisbursed grants payable**

	2008	2007
Payable within one year	2,472,111	2,053,863
Payable after one year	585,542	893,288
	3,057,653	2,947,151
Undisbursed grants due in 2008	-	2,053,863
Undisbursed grants due in 2009	2,472,111	841,567
Undisbursed grants due in 2010	614,683	156,598
Undisbursed grants due in 2011	28,427	-
	3,115,221	3,052,028
Discounted at the Trust Fund average rate of return	(57,568)	(104,877)

In addition to the grant agreements entered into as outlined above, the Board has approved US\$ 4.9 billion (2007: US\$ 2.3 billion) of new grants which will become liabilities upon signature of the grant agreements.

3.6.2 Accrued expenses

	2008	2007
Payable on demand	49,341	3,808
	49,341	3,808

3. DETAILS RELATING TO THE FINANCIAL STATEMENTS (CONTINUED)

In thousands of U.S. dollars unless otherwise stipulated

3.7 GRANTS EXPENDITURE

	2008	2007
Grants disbursed in the year	2,259,250	1,710,810
Movement in undisbursed grants	110,502	871,664
	2,369,752	2,582,474

3.8 OPERATING EXPENSES

	2008	2007
Secretariat expenses		
Personnel	71,650	41,054
Trustee fee	2,400	2,250
Administrative services fee	2,505	1,971
Other professional services	24,787	15,002
Travel and meetings	12,340	10,932
Communication materials	4,017	2,570
Office rental	7,140	4,683
Office infrastructure costs	10,971	5,036
Other	1,369	871
	137,179	84,369
Local Fund Agent fees	27,069	32,873
Country Coordination Mechanism Funding	1,395	-
	165,643	117,242

Included in Operating expenses above are contributions in kind attributed as follows:

	2008	2007
Contributions in kind		
Other professional services	536	1,422
Travel and meetings	16	34
Communication materials	288	141
	840	1,597

3. DETAILS RELATING TO THE FINANCIAL STATEMENTS (CONTINUED)

In thousands of U.S. dollars unless otherwise stipulated

3.9 PERSONNEL

As described in Note 1, personnel to support the operations of the Global Fund are provided by WHO under an agreement between WHO and the Global Fund. At 31 December 2008 there were 392 personnel assigned to the Global Fund (2007: 337). Of these, 323 (2007: 228) were assigned under fixed-term contracts, typically of two years duration. All other personnel are assigned under contracts of shorter duration.

3.10 REMUNERATION OF KEY MANAGEMENT

Key management, in common with all personnel assigned to the Global Fund, are remunerated according to WHO salary scale. Remuneration consists of salary, allowances and employer contributions towards pension and benefit schemes. Remuneration of key management, comprising the Executive Director, the Deputy-Executive Director, heads of the Global Fund's six business units, and the Inspector General, amounted to US\$ 2.0 million in 2008 (2007: US\$ 2.1 million).

The Global Fund does not remunerate its Board members.

3.11 TAXATION

The Global Fund is exempt from tax on its activities in Switzerland.

3.12 LEASE COMMITMENTS

At 31 December 2008, the Global Fund has the following outstanding operating lease commitments:

Year	Office space	Office equipment	Vehicle
2009	8,292	73	7
2010	8,292	73	-
2011	8,292	73	-
2012	8,292	73	-
2013	8,292	8	-
	41,460	300	7

4. FINANCIAL INSTRUMENTS

The Global Fund employs the following risk management policies to financial instruments:

Market risk: The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, in interest rates or in currency rates whether those changes are caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market. The Global Fund has assigned the management of market risk primarily to the Trustee, and does not use derivative financial instruments to reduce its market risk exposure on other financial instruments.

Interest rate risk: The risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Global Fund does not use derivative financial instruments to reduce its exposure risk on interest from variable rate bank balances and funds held in trust.

Currency risk: The risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Global Fund hedges its exposure to currency risk by matching grant liabilities in Euros with assets in the same currency to the extent possible.

Credit risk: Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. The Global Fund does not use derivative financial instruments to reduce its credit risk exposure.

The Global Fund's maximum exposure to credit risk in relation to cash and bank balances, funds held in trust, promissory notes and contributions receivable is the carrying amount of those assets as indicated in the statement of financial position. The Global Fund places its available funds with high quality financial institutions to mitigate the risk of material loss in this regard. With respect to the Global Fund's promissory notes and contributions receivable, management believes these will be collected as they result from mutually signed contribution agreements primarily with governments.

As described in Note 2.5, those funds held in trust by the World Bank, acting as Trustee for the Global Fund, are held together with other trust fund assets administered by the World Bank in a pooled cash and investments portfolio ("the Pool"). The Pool is actively managed and invested in accordance with the investment strategy established by the Trustee for all trust funds administered by the World Bank Group. The objectives of the investment strategy are foremost to maintain adequate liquidity to meet foreseeable cash flow needs and preserve capital and then to optimize investment returns. The Pool is exposed to market, credit and liquidity risks. Promissory notes and contributions receivable are exposed to credit, currency and liquidity risks. There has been no significant change during the financial year or since the end of the year to the types of financial risks faced by the Trust Fund or the Trustee's approach to the management of those risks. The exposure and the risk management policies employed by the Trustee to manage these risks are discussed below:

4. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk: The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, currency rates or changes in interest rates. The Trust Fund is exposed to market risk, primarily related to foreign exchange rates and interest rates. The Trustee actively manages the Pool so that the probability of incurring negative returns is no more than 1 percent over the applicable investment horizon. The asset allocation of the Pool is managed so as to optimize the Pool's total returns within the specified risk tolerance.

- i. *Interest Rate Risk:* The Trustee uses a value at risk (VAR) computation to estimate the potential loss in the fair value of the pool's financial instruments with respect to unfavorable movement in interest rate and credit spreads. The VAR is measured using a parametric/analytical approach. It assumes that the movements in the market risk factors are normally distributed. In constructing the covariance matrix of market risk factors, a time decay factor is applied to weekly market data for the past three years. This approach takes into account three years' historical market observations, while giving more weight to recent market volatility. The absolute VAR of the Trust Fund's share of the portfolio over a twelve month horizon, at a 95 percent confidence level at 31 December 2008 is estimated to be US\$ 106 million (2007: US\$ 107.3 million). The computation does not purport to represent actual losses in fair value of the Trust Fund's share in the Pool. The Trustee cannot predict actual future movements in such market rates and does not claim that these VAR results are indicative of future movements in such market rates or to be representative of the actual impact that future changes in market rates may have on the Trust Fund's future results or financial position.
- ii. *Currency risk:* The risk that the value of a financial instrument will fluctuate because of changes in currency exchange rates when there is a mismatch between assets and liabilities denominated in any one currency. In accordance with the Agreement and/or the instructions from the Global Fund, the Trustee maintains the share in pooled cash and investments of the Trust Fund in U.S. dollars and Euros. Cash contributions received are converted into U.S. dollars on receipt, except when the Global Fund instructs the Trustee to hold selected cash contributions received in Euros. Commitments for administrative budgets, trustee fee and majority of the grants are denominated in U.S. dollars.

The following table details the sensitivity of the Statement of Activities to a strengthening or weakening of the major currencies in which the Trust Fund holds financial instruments. The percentage movement applied in each currency is based on the average movements in the previous three reporting periods. The average movement in the current period is based on beginning and ending exchange rates in each period.

Currency	Change %	2008	Change%	2007
		AMOUNT US\$ millions		AMOUNT US\$ millions
Euro	7%	(+/-) 95	11%	(+/-) 78
Pound Sterling	16%	(+/-) 83	8%	(+/-) 19

4. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk: The risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Trust Fund's maximum exposure to credit risk at 31 December 2008 is equivalent to the gross value of the assets (excluding discount on promissory notes and contributions receivable) amounting to US\$ 6,951.9 million (2007: US\$ 5,507.9 million). The Trustee does not hold any collateral or credit enhancements except for the following repurchase agreements and resale agreements: repurchase agreements with other counterparties. The Trust Fund's proportionate share of the fair value of those securities at 31 December 2008 was US\$ 199.4 million (2007 US\$ 951.0 million). There are no significant terms and conditions associated with the use of collateral. As at 31 December 2008 the Trustee did not hold collateral that is permitted to sell or re-pledge in the absence of default. In addition, the trustee has not re-sold or re-pledged any collateral during the year. The terms and conditions associated with collaterals have no significant unusual requirements from the usual practice of recourse when a default occurs.

The Trustee invests in liquid instruments such as money market deposits, government and agency obligations, and mortgage-backed securities. The Trustee is limited to investments with minimum credit ratings as follows:

- *Money market deposits:* issued or guaranteed by financial institutions whose senior debt securities are rated at least A-.
- *Government and agency obligations:* issued or unconditionally guaranteed by government agencies rated at least AA- if denominated in a currency other than the home currency of the issuer, otherwise no rating is required. Obligations issued by an agency or instrumentality of a government, a multilateral organization or any other official entity require a minimum credit rating of AA-.
- *Mortgage-backed securities, Asset-backed securities and corporate securities:* minimum rating must be AAA.

At the reporting date, approximately 94 percent (2007: 92 percent) of the Trust Fund's share of the investment pool is held in securities rated at least AA and 6 percent (2007: 8 percent) is held in securities rated at least A+. At the reporting date, the Trust Fund's proportionate share is: Money market deposits: 14 percent (2007: 42 percent) Government and agency obligations: 46 percent (2007: 23 percent), Mortgage-backed securities, Asset-backed securities and corporate securities: 40 percent (2007: 35 percent).

The Trustee identifies the concentration of credit risk based mainly on the extent to which the pool of cash and investments are held by an individual counterparty. The concentration of credit risk with respect to the pool of cash and investments is limited because the Trustee has policies that limit the amount of credit exposure to any individual issuer.

Notes and contributions receivable result from mutually signed contribution agreements. None of these financial assets are deemed uncollectible. Further, there was no renegotiation of terms to financial assets that would otherwise be impaired.

Liquidity risk: The risk that an entity will encounter difficulty in raising liquid funds to meet its commitments. As a policy, the Global Fund makes commitments for administrative budgets, trustee fees and grants only if there are sufficient underlying assets. The Trustee maintains a significant portion of the Pool in short-term money market deposits to meet disbursement requirements.

GLOBAL FUND

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REGION:

Local Fund Agent

KPMG

Round(s)

1,2,4,5,6,7

Programs Approved for Funding

HIV/AIDS, Tuberculosis, Malaria

Total Funds Approved

208,637,873

Principal Recipients

The Ministry of Health
of the Government of the
Kingdom of Cambodia;
National Center for HIV/AIDS,
Dermatology and STI (NCHADS);
TBD

Funds Committed (Phase 1)

97,515,475

Funds Committed (Phase 2)

56,603,880

RCC 1

N/A

Total Disbursed

111,960,697

