Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

Eleventh Board Meeting
Geneva, 28-30 September 2005

GF/B11/12

FUNDS AVAILABLE FOR ROUND 5

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

Part 1: Overview of Funds Available

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

Funds Available for Round 5

Forecast at 15 September 2005	US$ millions	
Total funds available in 2005:		
Contributions pledged to date for 2005	1,438	
Funds available from 2004 contributions	197	
Adjustments to grants approved before 2005	31	
	1,666	1.7bn
less:		
Commitments in 2005 before Round 5: (projected)		
Phase II renewals in 2005 (see details below)	1,246	
Operating expenses, less investment income	9	
	1,255	1.3bn
Funds available for Round 5 before any additional pledges for 2005	**411**	**$0.4bn**
Round 5: Value of TRP-recommended proposals	726	0.7bn
Additional pledges needed	315	0.3bn

The forecast assumes that pledges will be honored and incorporates estimates regarding certain aspects of commitments.

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

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

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

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

Part 2: Detailed Forecast

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

The Global Fund — 15 September 2005

Financial Forecast (prior to new pledges) — US$ millions

		Notes	2002	2003	2004	2005
	Funding					
	Contributed		957	936	1,528	922
	Pledged, not yet contributed	1				516
	Total Contributions		957	936	1,528	1,438
	Funds available from prior year			341	(21)	197
	Investment income		10	28	34	57
	less: Operating expenses		(13)	(33)	(43)	(66)
(A)	**Funding available for grants**		954	1,273	1,497	**1,626**
	Grant Approvals					
	Phase I	2				
	Round 1 (phase I)		613	(56)	(2)	13
	Round 2 (phase I)			866	(7)	(4)
	Round 3 (phase I)			484	151	(20)
	Round 4 (phase I)				1,038	(20)
		Phase I	613	1,294	1,180	(31)
	Phase II renewals	2				
	Phase I extensions & ACT reprogramming				120	(120)
	Round 1 (phase II)					787
	Round 2 (phase II)					578
	Round 3 (phase II)					1
		Phase II			120	1,246
(B)	**Total Grant Approvals**		613	1,294	1,300	**1,215**
(A-B)	Available for following year		341	(21)	197	
	Available for Round 5					**411**

Notes

1 Contributions anticipate a US contribution of $435m for 2005 which has not yet been finalized and is subject to any applicable conditions of US law.

2 "Phase I" is the initial two-year period of an approved grant proposal. "Phase II" is the remainder of the approved grant proposal after Phase I, typically years 3 to 5. Renewal of grants for Phase II is contingent on grant performance, availablility of funds and approval by the Fund.