



Progress Report – 14 April 2004

Since its inception in January 2002, the Global Fund moved quickly to design and implement systems for the technical review of grant proposals, efficient fund disbursement, and the monitoring and evaluation of program performance and financial accountability. In December 2002, the first grant agreement was signed and disbursement made. Now in 2004, agreements are being signed regularly, and money is out the door and being used to save lives. As more public and private recipients receive initial funds and request further disbursements, this modest start will be succeeded by a significant global expansion in the coverage of proven interventions to prevent and treat AIDS, tuberculosis and malaria.

Overview of grants

- Approvals total US\$ 2.1 billion over two years to 227 programs in 122 countries and 3 territories, following the review of three proposal rounds in April 2002, and January and October 2003;
- Disbursements currently total US\$ 285 million following agreements in 86% of countries approved in Rounds 1 & 2;
- Recent results include the launch of the first official national communication campaign on HIV/AIDS in Morocco, the uninterrupted distribution of antiretroviral treatment in Haiti despite civil strife, the shipment of artemisinin combination therapy for drug-resistant malaria in Zambia and training of private practitioners in the DOTS treatment strategy for tuberculosis in Philippines.

Progress on principles

- **Transparency** – through widely available financial information on the Web site, including the March launch of a financial report-making function, which will allow site visitors to customize Excel spreadsheets and graphs according to their needs and interests;
- **Accountability** – through the temporary suspension of grant funding in Ukraine due to concerns about implementation, management and governance, and the subsequent appointment of a new, interim Principal Recipient to administer funds;
- **Partnerships** – through the launch of *PartnersGF*, a dedicated on-line discussion forum in the lead-up to the Global Fund's First Biennial Partnership Forum in Bangkok, 7-8 July 2004, to provide opportunities for stakeholders who are not formally represented in the Global Fund's governance structure to provide input on the Global Fund's functioning and progress;
- **Harmonization with country processes** – by building on National TB Plans and working with the Stop TB Partnership to close the treatment coverage gap in Indonesia, China and Democratic Republic of Congo.

Distribution of grants over three rounds: 100% = US\$ 2.1 billion over two years

<i>By region</i>	<i>By expenditure</i>	<i>By recipient (Rounds 2 & 3 only)</i>
60% Africa	46% Drugs & commodities	50% Government
20% Asia, Middle East & North Africa	25% Human resources	29% Non-governmental and community-based organizations
20% Latin America, Caribbean and Eastern Europe	15% Physical infrastructure	5% Private sector
	5% Monitoring & evaluation	4% Faith-based orgs.
	4% Administration	3% Academic institutions
	5% Other	3% Affected communities
		6% Other
<i>By disease</i>	<i>By country income</i>	
60% HIV/AIDS	67% Low income	
24% Malaria	30% Lower middle income	
16% Tuberculosis	3% Upper middle income	

Expected outcomes for Rounds 1, 2 and 3 after five years

- More than 700,000 people on antiretrovirals, tripling current coverage in developing countries
- 35 million clients reached with HIV voluntary counseling & testing services for prevention
- Over 1 million orphans supported through medical services, education and community care
- Nearly 3 million additional tuberculosis cases treated with DOTS successfully after diagnosis
- Tripling of treatment of multi-drug resistant TB globally, with over 8,000 new treatments
- 22 million combination drug treatments for resistant malaria delivered
- 64 million bed nets financed to protect African families from transmission of malaria

Projected disbursement of grants for Rounds 1, 2 and 3

- Commitments follow Board approvals and represent liabilities whereby the Fund obligates amounts for two years of grant financing according to the terms of a signed agreement.
- Disbursements are typically made quarterly and will always lag behind commitments for two years of finance, particularly if new rounds continue to be approved.
- Initial disbursements are usually small as recipients increase program capacity and prepare procurement plans to trigger disbursements for the purchase of medicines.
- Disbursement volume will increase on the basis of requests from recipients, with the goal of minimizing administrative burden and the time from request to disbursement.

Projected resource needs through 2004

- Through 2004, US\$ 3.4 billion is pledged to the Global Fund, with an additional US\$ 2 billion pledged for 2005 to 2008, or for an unspecified period.
- The overall financing need through 2004 is projected at around US\$ 3.6 billion.
- Projections of needs are revised regularly based on proposal receipts and approvals; in 2005, needs will include new proposals plus up to US\$ 1.6 billion for the renewal of existing rounds.
- The Fund, including its Chair, is making progress in resource mobilization, with US\$ 1.8 billion* in new public pledges since the G8 Summit in June 2003 and ongoing talks with potential private donors.

