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of the Global Fund

GLOBAL FUND FORECASTS \$1.6 BILLION IN "ADDITIONAL FUNDING" FOR NEW GRANTS

Amount includes up to \$616 million for the TFM

Consultations will be held on how to invest the remaining \$1 billion

The Global Fund forecasts that \$1.6 billion will be available for new grants for the period 2012-2014. The statement was made in a press release issued on the eve of the Board meeting that starts today in Geneva. In a separate press release welcoming the Global Fund announcement, Michel Sidibé, Executive Director of UNAIDS said, "This ushers in a new era for the Global Fund."

According to an article in the Wall Street Journal, the \$1.6 billion figure includes \$616 million for the Transitional Funding Mechanism (TFM). The \$616 million amount constitutes the total demand from applications received for the TFM. The total may fluctuate following clarifications from applicants and review of the proposals by the Technical Review Panel. The final total will likely be less than \$616 million.

The \$1.6 billion forecast is over and above \$500 million that has been set aside for "contingency" in case there are shortfalls in expected donations, exchange-rate losses and other unanticipated expenditures.

In its press release, the Global Fund said that the new forecast "is a result of strategic decisions made by the Board, freeing up funds that can be invested in countries where there is the most pressing demand, and adopting a plan to transform the Global Fund... Like any forecast, it is subject to fluctuation and change in coming months."

"This forecast is better than expected, and it comes from the fantastic response we are getting to our

transformation,” said General Manager Gabriel Jaramillo.

According to the Fund’s press release, renewed confidence in the effectiveness of the Global Fund has led to new donations from some countries, and accelerated donations from others. The Fund said that some recipient countries “have volunteered to forgo some funds in favor of less fortunate nations that have more pressing needs.” An article in Reuters quotes Mr Jaramillo as identifying China as one of the countries that is forgoing funds.

According to an article in the Wall Street Journal, the US is one of the donors that will deliver some contributions earlier. Quoting people “familiar with the new fund forecast,” the newspaper says that the US has told the fund it will speed up some disbursements to get \$226 million more into the fund’s hands within the 2012-2014 time period. The US has pledged \$4 billion over US fiscal years 2011 through 2013, subject to approval from Congress.

The Global Fund said that “a first portion of the available funding can be put to work” as soon as the TFM proposals have been reviewed and those recommended for funding have been approved. “Investing the additional \$1 billion most effectively will be the subject of consultations with countries and partners.”

“By getting ourselves onto a sound financial footing and transforming the way we do business, we can now accelerate funding and we can make significant progress towards the Millennium Development Goals,” said Simon Bland, Board Chair.

The revenue forecast and the timing and nature of the next funding opportunity are expected to be the subject of much discussion at this Board meeting, both at the table and in the corridors.

Information for this article was taken from a Global Fund [press release](#), an [article](#) by Reuters, and an [article](#) in the Wall Street Journal.

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