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of the Global Fund

Progress Report from the Fund

The Global Fund has just released an updated Progress Report (dated 10 November) that provides a useful overview of the Fund and its operations. This document is available, with other Global Fund fact sheets and publications, at www.theglobalfund.org/en/about/publications. The text of the Progress Report is as follows:

Progress Report – November 2003

Since its inception in January 2002, the Global Fund quickly designed and implemented systems for the technical review of grant proposals, efficient fund disbursement and the monitoring and evaluation of program performance and financial accountability. In December, the first grant agreement was signed and disbursement made. Now in 2003, agreements are being signed regularly; money is out the door and being used on the ground 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 224 programs in 121 countries and 3 territories, following the review of three proposal rounds, in April 2002, January and October 2003
- Disbursements currently total US\$ 155 million following agreements in 80% of countries with grants, with the first Round 2 agreement signed less than three months after its approval
- Results include lives saved through people on antiretrovirals in Haiti, Honduras and Rwanda (where 75% of healthcare workers are receiving training); DOTS TB training and treatment expansion in China, Indonesia & Mongolia; and bed net distribution in Tanzania and Sri Lanka

Progress on principles:

- Improved transparency through website posting of approved proposals and grant agreements, and future availability of progress updates, Country Coordinating Mechanism (CCM) membership and critiques of the Fund
- Greater accountability with renewal of Technical Review Panel (TRP), global competitive tender to select locally based Local Fund Agents (LFAs) for grant oversight and posting of disbursement requests reporting expenditure & results
- Broader local partnership with non-government representatives constituting 63% membership of CCMs submitting in Round 3 and 69% of CCMs including faith-based organizations
- Deeper partner engagement as bilaterals, e.g. GTZ, NORAD & CIDA, make grants to support country processes, and multilaterals facilitate regional workshops to share local best practices
- Harmonization with country processes including multi-donor basket funding in Zambia, linkage to World Bank MAP in Malawi and building on poverty reduction strategies in Ghana
- Increased private contributions from foundations to support country programs and from pharmaceutical companies to expand eligibility for price discounts on essential medicines

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

- By region
 - 60% Africa
 - 20% Asia, Middle East & North Africa
 - 20% Latin America, Caribbean and Eastern Europe
- By disease
 - 60% HIV/AIDS
 - 23% Malaria
- By expenditure
 - 46% Drugs & commodities
 - 25% Human resources
 - 15% Physical infrastructure
 - 5% Monitoring/evaluation
 - 4% Administration
 - 5% Other
- By country income
 - 66% Low income
 - 30% Lower middle income
 - 4% Upper middle income
- By recipient (Rounds 2&3 only)
 - 50% Government
 - 29% Non-governmental orgs and community based orgs
 - 5% Private sector
 - 4% Faith-based orgs
 - 3% Academic institutions
 - 3% Affected communities
 - 6% Other

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 will be 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 for 2003 and 2004:

- Through 2004, US\$ 2.9 billion is pledged to the Global Fund, with an additional US\$ 1.9 billion pledged for 2005 to 2008, or for an unspecified period
- The overall financing need through 2004 is projected at around US\$ 3.3 billion
- Projections of needs are revised regularly based on actual proposal receipts and approvals; in 2005, needs will include new proposals plus US\$ 1.6 billion for the renewal of existing rounds
- The Fund, including its Chair, is making progress in resource mobilization, with US\$ 1.3 billion in new public pledges since the G8 Summit and ongoing talks with potential private donors.

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