



Independent observer
of the Global Fund

Board Decisions Regarding Resource Mobilization

1. Replenishment mechanism

The board approved details for a “replenishment mechanism.” This refers to an occasional conference at which donors will agree on pledges to be made to the Fund to cover the subsequent two or three years. The objective is to give the Fund greater certainty as to how much money it will be able to spend. Donors will still be free to make additional ad hoc donations at any time.

The first replenishment conference will take place in two parts – October and December 2004. It will discuss pledges for the years 2005 and 2006. It will be chaired by a respected independent figure appointed by the Board.

1. Promissory notes

The Fund will not approve a two-year grant or a three-year renewal unless it has received sufficient funds to pay for the grant over the two or three years in question. If those funds have to be in the form of cash, this means that the Global Fund will be sitting on a mountain of cash at the same time that it is urgently seeking additional funds. This is an uneasy combination. Accordingly, the board agreed that it could make grants based not just on cash received, but also on promissory notes received from governments.

[Read More](#)
