



Independent observer
of the Global Fund

Global Fund Is In Good Shape to Pay for Round 7

The Global Fund is in better financial shape to cover the anticipated cost of Round 7 grants than it was at this stage with any of the three previous rounds.

The Fund estimates that the total cost for the first two years of grants likely to be approved in Round 7 will be about \$965 million (about ten percent more than the average cost of the three previous rounds). Of this, about half (\$497 m.) is already available, and the other half needs to be raised. When the Call for Proposals was issued for each of the last three rounds, the Fund had less money available to pay for the grants than it now has for Round 7 – and in all cases, the Fund raised the needed funds in time.

The information on funding availability for Round 7 is contained in Technical Note 2 – Update on the Funding Outlook for 2006-2007, one of several documents released by the Fund in preparation for a meeting of donors to be held in Oslo next week. The documents are available at www.theglobalfund.org/en/about/replenishment/oslo.

The Global Fund says current fund availability for 2007 is \$2,519 million (\$208 m. in unused funds from last year, and \$2,310 in pledges thus far for 2007). After setting aside \$2,022 m. for renewals during 2007 of existing grants and for new Round 6 grants approved following successful appeals, this leaves an availability of \$497 m. for Round 7 grants.

The Fund will certainly receive additional pledges for 2007 during the balance of the year. In addition, pledges for 2008 can be applied to successful Round 7 proposals insofar as the actual contributions arrive prior to the signing of the grant agreements.

Technical Note 2 reveals that pledges and contributions for the two-year period 2006-2007 thus far total \$4.5 billion, about 50 percent more than the \$3.0 billion that was pledged and contributed for the prior two-year period, 2004-2005. The increase will be even greater once additional pledges for 2007 are received

over the rest of this year.

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