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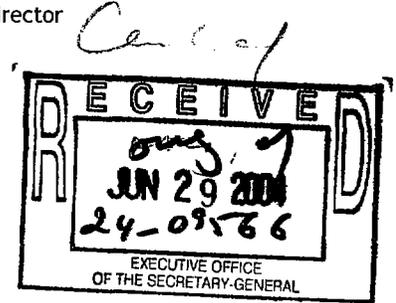
THE GLOBAL FUND
to Fight AIDS, Tuberculosis and Malaria

25 June 2004

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Executive Director

His Excellency Kofi Annan
Secretary General
United Nations
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Dear Secretary General

It was a pleasure to meet you yesterday and to discuss the progress and promise of the Global Fund.

We have come extraordinarily far in a very short period. Our Board will meet in Geneva on June 28, 29 and 30. I assume that the Board will approve the recommendations on Round 4 provided by our Technical Review Panel. If so, our portfolio will be roughly 300 programs in 130 countries with a two year value of \$3.1 billion.

The feedback from recipients, and the evaluation which we will circulate in Bangkok, tells a very positive story. The Global Fund is an innovation in development finance which is welcomed by public and private organizations across the developing world. It has brought hope to millions.

The greatest challenge which we now face is to increase our income. To merely renew existing grants we need \$1.5 billion in 2005. To approve Round 5 as well, we need \$2.5 billion. To approve Rounds 5 and 6, which will maintain our momentum of three rounds every two years, we need \$3.5 billion. Funds pledged thus far for 2005 equal \$0.9 billion.

If conservative voices prevail at next week's Board Meeting, we will make no firm decision concerning the launch of Round 5. This will send a negative message to the world. It will also raise doubt concerning whether and when new rounds will be launched. It will raise the possibility that the Global Fund will now plateau at a low level and fall short of the vision that you and many others share.

I look forward to meeting you in Bangkok to continue the critical discussions. Perhaps we can find a joint opportunity to present these issues to those assembled and the world's media.

With best personal regards.

Yours sincerely

