

Update on Resource Mobilization and the Seventh Replenishment 49th Board Meeting

GF/B49/17

10 – 11 May 2023, Ha Noi, Viet Nam

Board information

Purpose of the paper: This paper provides an update to the Board on the status of pledge conversion and donor signing and the process to identify and assess lessons learned from the Seventh Replenishment and seeks the Board's input on current and future efforts on advocacy and communications, resource mobilization priorities, and actions to mitigate funding and reputation related risks.

Executive summary

Context

- The Seventh Replenishment resource mobilization campaign culminated with a series of events in New York, including the Pledging Conference, between 18 and 21 September. As of 31 December 2022, the Global Fund partnership has secured commitments from 50 public and 27 private donors for a total of USD 15.67 billion for the 2023-2025 allocation period, out of the target of at least USD 18 billion set in the Seventh Replenishment Investment Case. This represents the largest amount raised by the Global Fund to date, marking an increase of 12% in pledges compared to the 2020-2022 allocation period. This showed an unprecedented commitment from Global Fund donors amid a particularly challenging macroeconomic and geopolitical environment.
- While resource mobilization efforts to secure additional pledges will continue, the Secretariat's primary focus will be ensuring that donor commitments are formalized through the signing of contribution agreements and timely pledge conversion. Keeping in mind global fiscal constraints and other contextual factors, the Secretariat is actively following up with donors to mitigate potential funding risks.

Input sought

This paper provides an update to the Board on the status of pledge conversion and donor agreement signing and the process to identify and assess lessons learned from the Seventh Replenishment. It also seeks the Board's input on current and future efforts on advocacy and communications, resource mobilization priorities, and actions to mitigate funding and reputation related risks.

Questions this paper addresses

- A. What is the status of pledge conversion for the Sixth Replenishment?
- B. What is the outcome and the status of donor agreement signing trends and pledge conversion for the Seventh Replenishment?
- C. What are the next steps to be taken in identifying and assessing lessons learned from the Seventh Replenishment?
- D. What are the resource mobilization priorities for 2023?
- E. What are the current and future efforts to take place on the advocacy and communications fronts?
- F. What are the risks that the Secretariat needs to actively mitigate during the current replenishment cycle?

Conclusions

- A. **Conversion of Sixth Replenishment pledges into contributions** as of 31 December 2022 has progressed well with 92% of adjusted pledges received in cash, 2% higher compared to the same period of the Fifth Replenishment. The Global Fund's **resource mobilization efforts for the COVID-19 response mechanism** concluded on 30 September 2022, with over USD 4.2 billion raised to support countries in combating COVID-19 and mitigating its impact on the three diseases since the beginning of 2021. As of 31 December 2022, agreements for the Global Fund's COVID-19 Response Mechanism (C19RM 2021) have been signed by all donors and contributions of USD 4.1 billion are already secured in cash.
- B. As of 31 December 2022, **the Global Fund partnership has secured commitments from 50 public and 27 private donors for a total of USD 15.67 billion for the 2023-2025 allocation period¹**, out of the target of at least USD 18 billion set in the Seventh Replenishment Investment Case. This represents the largest amount raised by the Global Fund to date. The Secretariat is now focusing on laying the groundwork for the conversion of Seventh Replenishment pledges by accelerating the negotiation of donor contribution agreements for the 2023-2025 period. As of 31 December 2022, conversion of pledges was already underway with 12 pledges signed into contribution agreements (six for the public sector and six for the private sector) and almost USD 500 million received in cash.
- C. The Secretariat has initiated a **lessons learned exercise** aimed at identifying the core principles and success drivers of the replenishment and the steps and sub-processes that could benefit from deeper institutionalization and documentation going forward. Under the leadership of the External Relations and Communications Division, a Secretariat working group will conduct the review process, which will also include the independent view and advice from the Office of the Inspector General. Expected deliverables of the exercise include internal and external lessons learned reports, updates to replenishment process maps and key principles, and updated sub-processes and tools. The process started in November 2022 and will end in July 2023.
- D. The Global Fund **will continue to mobilize funds throughout the Seventh Replenishment period** from both public and private sources as well as exploring and expanding innovative financing approaches such as blended finance and debt swaps. The full Global Fund partnership will need to actively support the cultivation of new or emerging opportunities in a very competitive and challenging environment.
- E. The Global Fund partnership's investments in **nurturing and sustaining civil society and communities' advocacy networks** will be key to the success of ongoing fundraising activities, future replenishment efforts, and the implementation of strong programs at the country level. Similarly, in 2023 the Global Fund will continue to **sharpen its messaging and positioning** by exploring the interconnection between its investments in global health and other pressing global issues. The Global Fund's core communication objective is to clearly show the partnership's impact in country, delivering for communities and saving lives.
- F. To ensure stability in resource mobilization, it is critical to **continue mitigating the fundraising risks** that have emerged and sharpened during the last replenishment process. A key focus of these efforts will be pledge conversion. Mitigation actions include the need to (1) maintain strong and close relationships with donors at all times; (2) ensure strong and bipartisan/multiparty commitment in parliaments; (3) have an adequately resourced and engaged advocacy network; (4) sustain a recognizable and valued brand and continue to deliver clear and impactful communications; and (5) create opportunities for innovation and non-traditional partnerships with the private sector.

¹ The Board approved USD 13.128 billion as the total amount for calculating country allocations for the 2023-2025 allocation period. ([GF/B48/03 A – Revision 1](#))

Input received

- During its 48th meeting, the Board (a) requested the continuation of resource mobilization efforts, particularly for tuberculosis, including a plan for the remaining of the replenishment period; (b) expressed interest in the increased engagement of private sector and non-traditional partners; (c) highlighted the importance of additional domestic resource mobilization and expansion of blended financing; (d) inquired on the volume of in-kind contributions and other reserves (set asides); and (e) welcomed the Global Fund's efforts to engage in early discussions on the development of the Financial Intermediary Fund for Pandemic Prevention, Preparedness and Response (FIF), requesting further updates as more information becomes available.²

² See GF/B49/02 Engagement with the Pandemic Fund's First Call for Proposals

Context

1. After an intense campaign, the Seventh Replenishment resource mobilization process culminated with a series of events in New York, including the Pledging Conference, during the week of 18 September 2022. Resource mobilization efforts continued after these events, and as of 31 December 2022, the Global Fund partnership has secured commitments from 50 public and 27 private donors for a total of USD 15.67 billion for the 2023-2025 allocation period, out of the target of at least USD 18 billion set in the Seventh Replenishment Investment Case. This represents the largest amount raised by the Global Fund to date, marking an increase of 12% in pledges compared to the 2020-2022 allocation period.³
2. Although the replenishment target was not met at or after the Pledging Conference, results achieved up to this point are remarkable, with many public and private donors increasing their commitments by 30% or more in line with the Investment Case. On the private sector side, the Global Fund partnership reached a new resource mobilization record, with announced pledges totaling USD 1.25 billion, USD 115 million more than for the Sixth Replenishment.
3. The Seventh Replenishment Conference took place amid a particularly challenging macroeconomic and geopolitical environment, in which development resources are scarcer and the attention of donors and partners was divided across competing international priorities and crises. Despite this complex context, the outcome showed an unprecedented commitment from Global Fund donors.
4. While resource mobilization efforts to secure additional pledges will continue, the Secretariat's primary focus will be on ensuring that donor commitments are formalized through the signing of contribution agreements and timely pledge conversion. Keeping in mind global fiscal constraints and other contextual factors, the Secretariat is actively following up with donors to mitigate funding risks. Opportunities that are identified for additional funding will be vigorously pursued.

Update on Sixth Replenishment pledge conversion

5. The conversion of the Sixth Replenishment pledges into contributions has progressed well with 92% of adjusted pledges received in cash as of 31 December 2022, 2% higher compared to the same period of the Fifth Replenishment. Conversion of remaining pledges remains a focus for the Sixth Replenishment cycle (2020-2022). The Global Fund has signed agreements with 90% (52 of 58) of public donors as of 31 December 2022. For the most part, public donors have signed agreements with multi-year payment schedules (40 of 52). Signed contribution agreements are in place for 91% of the value of private sector pledges. Contributions of USD 15 billion from public donors and USD 16 billion overall have been secured in cash, in line with the expectation to fully convert remaining forecasted pledges.
6. As of 31 December 2022, all donors have signed agreements for the Global Fund's COVID-19 Response Mechanism (C19RM 2021), which represents USD 4.1 billion in contributions. With this, 98% of donor commitments have already been secured in cash. To enable maximization of impact from investments in resilient and sustainable systems for health, the Global Fund Board approved an extension authorizing any C19RM funds to be implemented through 31 December 2025 and finance interventions across the Sixth and Seventh Replenishment periods. Reporting to donors on the use of C19RM funds will continue on a monthly basis. The final report from the Access to COVID-19 Tools Accelerator (ACT-A) will be issued in April 2023 and the Global Fund will continue

³ Excluding pledges towards C19RM.

to play an active role providing updates and reporting in the final stages of the Accelerator’s transition and communications.

7. The Sixth Replenishment included catalytic investments supported by the private sector under the Board-approved Amended and Restated Policy for Restricted Financial Contributions ([GF/B37/DP08](#)). USD 52 million in private sector funding was committed for such purposes for the 2020-2022 period, out of which USD 25.5 million has already been paid. Supported catalytic investments, based on policy parameters, have been aligned with those approved by the Board and include support to last-mile digital health, differentiated service delivery and prevention in HIV, supply chain transformation, and integrated HIV, tuberculosis and malaria services in antenatal and postnatal care.
8. All 13 non-financial or in-kind/innovation partnerships with the private sector for the Sixth Replenishment period have contribution agreements in place and are on track for delivery, with 83% of their workplans implemented. These partnerships leverage and transfer expertise from leading partners such as Microsoft, Google, Project Last Mile, Johnson & Johnson and innovative start-ups in areas such as supply chain management, patient insights, technology and data management to strengthen in-country health systems and service delivery. 70% of these partnerships include the production of knowledge and/or learning assets, and 90% of them include at least one country-based project in progress.

Seventh Replenishment outcomes and pledge conversion

9. Additional commitments have been secured since the Pledging Conference, including USD 25 million from India, EUR 185 million from Italy, USD 3 million from Thailand, and GBP 1 billion from the United Kingdom. In addition, Singapore also returned as a donor with a pledge of USD 1 million for a five-year period (USD 0.6 million for the Seventh Replenishment) and Luxembourg topped up their existing pledge by an additional EUR 3 million to reach a total of EUR 14.7 million. Therefore, the overall amount of pledges for the Seventh Replenishment to date totals USD 15.67 billion.⁴ USD 14.43 billion or 92% comes from 50 public donors, including nine new or returning donors. Twenty-two implementing countries made pledges, including 18 from Africa, three from South-East Asia and one from Latin America. The pledge from Paraguay is the first from the Latin American region in ten years.

10. The private sector committed over USD 1.25 billion in pledges, up from USD 1.13 billion from the Sixth Replenishment, and of which USD 926 million came from the Bill and Melinda Gates Foundation, representing a 22% increase, and USD 150 million from (RED). Of the USD 1.25 billion pledged, USD 144 million in commitments were made for catalytic investments designed to accelerate progress across a range of crucial areas, from digital health to laboratory systems to community health workers. Following the Replenishment Conference, an additional pledge of USD 1 million was received from the Patrick J. McGovern Foundation. Overall, 27 private sector partners made pledges, including 16 new or returning donors, and discussions with other potential donors continue.

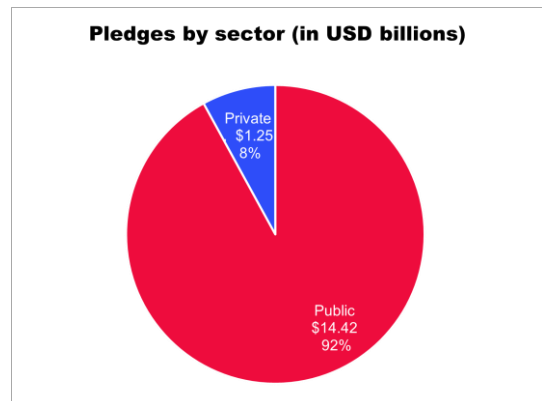


Image 1. Pledges by public and private sector in Seventh Replenishment

⁴ The Board approved USD 13.128 billion as the total amount for calculating country allocations for the 2023-2025 allocation period. ([GF/B48/03 A – Revision 1](#))

11. In addition, a total of USD 250 million was mobilized in innovative finance investments to support access to innovation and increase domestic capacity, and more than USD 30 million was committed in non-financial resources and capabilities to support digital health, build stronger supply chains, and improve behavior change approaches and prevention programs.
12. As of 31 December 2022, conversion of pledges was already under way with 12 pledges signed into contribution agreements (six for the public sector and six for the private sector) with almost USD 500 million received in cash.
13. While payment delays or defaults resulting from the challenging macroeconomic and geopolitical environment cannot be excluded, controls and mitigations on pledge conversion have been tightened and additional measures continue to be in place as part of the Secretariat's contingency plan. The continued support and advocacy from Board and Committee members is critical in ensuring timely pledge conversion in addition to the mobilization of advocacy partners, including civil society organizations, communities, members of parliament, and champions.

Lessons learned from the Seventh Replenishment: Process and next steps

14. Following standard practice after a replenishment campaign, the Secretariat is conducting a review to document lessons learned and best practices. This exercise aims to identify the core principles and success drivers of the replenishment and identify potential improvements. The review is expected to assess (1) the overall replenishment strategy and coordination; (2) performance against the overall objectives, including drivers for success and main challenges; (3) roles and decision accountabilities; and (4) factors and trends to inform resource allocation. The review will examine in more depth the coordination and engagement with host countries; the investment case and the related narrative and campaign; the way in which events and platforms were used, including the execution of the two main conferences; and the engagement of Global Fund voices and stakeholders across the partnership.
15. A cross-functional working group has been established to review the findings and advise on improvement actions to be taken forward. The group is comprised of several business units from the Secretariat under the leadership of the External Relations and Communications Division, including teams engaged in recent replenishment-related lessons learned exercises with core expertise in strategy alignment, risk management, business process optimization, and performance assessment and improvement. The Office of the Inspector General (OIG) will also participate in the working group in a light-touch advisory role (in contrast to the in-depth advisory review of the Global Fund's fundraising activities it performed following the Fifth Replenishment). The OIG will bring an external perspective to the lessons learned exercise, providing input focusing on the exercise's key questions, the information and analysis considered by the working group, and findings and recommendations.
16. From a methodological standpoint, the exercise incorporates insights from donor engagement strategies and reviews, consultations and surveys with key internal and external stakeholders directly involved in the Seventh Replenishment, and assessment reports issued by partners.
17. Deliverables of this review will include an internal lessons learned report detailing key recommendations for future strategy and process optimization, and an external lessons learned report to be shared with partners.

18. The Secretariat will use key opportunities with external stakeholders to validate the emerging lessons learned and to gather advice and feedback as part of the process. The exercise was initiated in November 2022 and is expected to be completed by July 2023. It will inform our future resource mobilization efforts and the early planning for the Eighth Replenishment.

Resource mobilization, advocacy and communications in 2023

Resource mobilization priorities

19. The Global Fund will continue to mobilize funds throughout the Seventh Replenishment period to further meet the needs identified in the Investment Case and to leverage the United States' matching pledge to the extent possible. These efforts will focus on reaching out to public donors who did not pledge for the 2023-2025 period, pledged annually or for only part of the cycle, and monitoring budgetary processes and the broader landscape to identify potential contributions. The full Global Fund partnership will need to be active in supporting the cultivation of new or emerging opportunities in a very competitive and challenging environment.
20. Private sector efforts will focus on continuing discussions with donors engaged during the Seventh Replenishment campaign that did not pledge, and identifying new prospects, leveraging the significant portfolio of existing partners and their networks. Given the extensive amount of capital in private hands, the expansion of fundraising towards high-net-worth individuals and private foundations will be a priority, although recognizing the developing prospects in this space is a slow and time-consuming endeavor. Efforts will emphasize the role of the private sector in providing catalytic capital and will explore areas in which significant capability sets or interests align, especially in the realms of digital health, product innovation and access, frontline health workers, and climate-resilient health systems. Given the highly competitive environment, the positioning of the Global Fund, along with the mobilization of advocacy and other networks, will be an important enabler.
21. In terms of resource mobilization, the Global Fund will also focus on ways to maximize innovative financing such as blended finance, Debt to Health, and other innovative modalities that tap into different budget lines or will attract funding from other sources. In this regard, the Secretariat will participate in global discussions on development financing and financing for health as a way of ensuring the organization is well-positioned to crowd in any additional financing that may become available to the benefit of the three diseases and health systems, and to facilitate the implementation of the new strategy.
22. To achieve these goals, the Global Fund will pay particular attention to partnership engagement to ensure the Fund's role in the global health landscape is well-understood and visible. Close collaboration with partners and stakeholders will be necessary to ensure the Global Fund is referenced appropriately in global health discussions that remain high on the international agenda. Opportunities this year include three UN high level meetings on tuberculosis, universal health coverage (UHC) and pandemic preparedness and response; the negotiations on the Pandemic Treaty (WHO CA+ convention, agreement or other international instrument on pandemic prevention, preparedness and response) and International Health Regulations; the G7 and G20 processes; the various follow-up processes for ACT-A collaboration, including the first financing opportunities from the World Bank's Pandemic Fund; several international disease and theme specific meetings and events; and regional meetings and convenings. The Global Fund will coordinate messaging for amplification by the partnership and ensure clear and compelling explanations of our unique role and added value in delivering global health priorities.

23. To date, total bilateral set-asides grew to approximately USD 700 million, which represents close to 40% increase over set-asides for the Sixth Replenishment. The Global Fund is actively following up with donors that have included set-asides as part of their Seventh Replenishment pledges to ensure that they are aligned with the new strategy and national strategies supported by Global Fund grants.⁵

Advocacy priorities

24. The Secretariat is committed to continuing to work side by side with partners and advocates to ensure pledge conversion, mobilize additional funding, and help ensure that resources reach those most affected by the three diseases. The sustained partnership amongst civil society and community advocates is particularly important in the context of increasingly restricted space for these actors in many countries. A great number of civil society and community organizations face diminished funds or are expected to stretch flat levels of funding to address even more issues. COVID-19 restrictions took a significant toll on these partners, which requires investments in rebuilding relationships and covering ground that was lost throughout the course of the pandemic.

25. Alongside the Seventh Replenishment lessons learned exercise, an analysis of the evolving advocacy ecosystem and its significance to the Global Fund partnership is underway and expected to be completed around the summer of 2023. This analysis will then inform the development of an advocacy ecosystem action plan to guide priority-setting as the partnership begins to look towards the next replenishment.

26. Throughout 2023, the Secretariat will be engaging with partners towards a number of key advocacy platforms, including but not limited to the G7 and G20, the three UN high level meetings mentioned above, the Women Deliver Conference, COP28 and ICASA, all of which provide significant opportunities for the Global Fund to continue articulating its unique impact, use its diplomatic voice, and amplify community voices.

27. The Secretariat will also continue and strengthen its engagement with partners in the global health and wider global development ecosystem, including technical partners, the African Union, the Africa Center for Disease Control and Prevention and other regional bodies, implementing countries, private sector leaders, various influencers, and Board constituencies to sustain the momentum towards ending AIDS, tuberculosis and malaria and the unique role of the Global Fund in health systems strengthening and pandemic preparedness in a fast evolving global health conversation and architecture.

Communications-related efforts

28. In 2023, the Global Fund will continue to sharpen its messaging and positioning by exploring the interconnection between its investments in global health and the pressing issues of the day, including climate change, conflict and instability, and the attendant food and energy crises. The messaging will show how, by championing equity, the Global Fund partnership can continue to be a powerful force for change in ending the world's deadliest diseases and preventing and preparing for future pandemics. To further illustrate this positioning, the Secretariat will be gathering and amplifying compelling stories and content from countries and regions most impacted by these crises and showcasing the Global Fund's ongoing work to support the most vulnerable communities and reinforce health systems around the world.

⁵ Overview of set-asides and alignment with GC7 targets and the Global Fund Strategy ([GF/SC21/13](#))

29. The Global Fund's core communication objective will remain to clearly show the partnership's impact in country, delivering for communities and saving lives. Clear insights will be provided into how investments are showing results against the three diseases and in building stronger health systems. Communications work will also make further strides in enhancing transparency and providing clear and compelling data on program results.
30. The Secretariat is also customizing communications strategies for key geographies, showing impact from implementing countries around focus issues to support pledge conversion for the Sixth and Seventh Replenishments and preparing the ground for future replenishments. This strategy also includes the cultivation of new champions and influencers that resonate with stakeholders. Ultimately, the Secretariat's aim is to build strong relationships with a diverse and dynamic set of top-tier influencers who will be active in the lead up to the Eighth Replenishment.

Risk management

31. Despite the challenging context, the risk of loss of donor support and confidence during the Seventh Replenishment campaign did not materialize, with the vast majority of the Global Fund's donors maintaining or increasing their support. However, as commitments for the Seventh Replenishment need to be fully converted and some Sixth Replenishment payments are still outstanding, **the Secretariat will focus on ensuring that pledge conversion is achieved as per agreed schedules and targets.**
32. To ensure stability in resource mobilization efforts, it is critical to continue mitigating the fundraising risks that have emerged and sharpened during the last replenishment process. Such actions include the need to:
- a) **Ensure strong and close relationships with donors at all times**, constantly showing and proving to them the added value of the Global Fund model, and the importance of multilateral investments, country and community ownership and voice, and evidence-based and cost-effective interventions.
 - b) **Ensure strong and bipartisan/multiparty commitment in parliaments** given the political volatility in many donor governments.
 - c) **Have an adequately resourced and engaged advocacy network** that can provide game-changing and credible advocacy targeted at donors.
 - d) **Sustain a recognizable and valued brand and continue to deliver clear and impactful communications** that provide the space for donor leaders to make extraordinary commitments for global health.
 - e) **Create opportunities for innovative and non-traditional partnerships with the private sector** that enable key initiatives to progress and lay the groundwork for major scale-up of novel approaches and solutions.
33. As in previous replenishments, as described in this paper, the Secretariat is undertaking a post-replenishment review of the risks and mitigation measures deployed throughout the campaign with the objective of identifying potential areas for improvement.

Next steps

34. The Global Fund will continue its in-depth analysis of the replenishment outcomes and compile and disseminate lessons learned that will inform our early planning for the Eighth Replenishment.
35. Another key focus area will be working actively on the conversion of Seventh Replenishment pledges by continuing the formalization of contribution agreements with donors, for the most part with multi-year payment schedules and ensuring continued advocacy with key decision makers.
36. The Global Fund will continue to pursue all opportunities to identify and mobilize additional funding from both public and private sources. This will require the constant adaptation and implementation of a compelling advocacy and communication strategy that shows both the immediate life-saving outcomes of Global Fund financing as well as the effective support it provides to sustainable systems for health.
37. The role of the Global Fund in the global health landscape, and the contribution it makes not just to fight infectious diseases but in ensuring equity and access as a key component of UHC and in support of pandemic preparedness, needs to be constantly reaffirmed, explained and justified. This will require partners to advocate for the Global Fund's model, in particular in the context of upcoming international meetings, negotiations and consultations. The Secretariat will work with partners to produce clear and compelling arguments and evidence in support of the role of the Global Fund partnership in delivering for the poorest and most vulnerable communities in the world, including in the most challenging operating environments, thereby establishing our unique and valuable role in advancing global health outcomes.

Annexes

Annex 1: Relevant past documents and reference materials

1. Update on resource mobilization presented for information to the 48th meeting of the Global Fund Board ([GF/B48/24](#))
2. Update on resource mobilization presented for information to the 47th meeting of the Global Fund Board ([GF/B47/21](#))
3. Update on resource mobilization presented for information to the 46th meeting of the Global Fund Board ([GF/B46/20](#))