

Update on Resource Mobilization and the Eighth Replenishment Action Plan 51st Board Meeting

GF/B51/06
22 – 24 April 2024, Geneva, Switzerland

Board Information

Purpose of the paper: This paper provides an update on pledge conversion, the status of preparations for the Eighth Replenishment, and the related risks and mitigations given the volatile and high-risk fundraising environment.

Executive summary

As of 31 December 2023, pledge conversion is on track with 28% (\$3.829 billion) of adjusted Seventh Replenishment pledges and 96% (\$17.1 billion) of Sixth Replenishment pledges (incl. C19RM) paid in cash. Pledge conversion is an ongoing priority.

Seventh Replenishment lessons learned, robust landscape analysis and governance's input are informing the roll-out of the Action plan for the Eighth Replenishment that was presented to the Board last November 2023. Work is progressing as planned across all workstreams, but risks in the external environment and critical dependencies with partners', internal Global Fund and governance processes must be actively tracked and managed. The Global Fund continues to adapt and sharpen its positioning by exploring the interconnection between its investments and other pressing global issues to sustain its relevance in a fast-evolving global landscape. The Global Fund also continues to invest in nurturing and sustaining civil society and communities' advocacy networks that are key to the success of ongoing fundraising activities and future replenishment efforts.

Given the highly volatile context, it is critical to continue to actively mitigate the fundraising risks and focus on ensuring full and timely 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; (5) create opportunities for innovation and non-traditional partnerships with the private sector; and (6) enhance the way we collaborate with global health partners and communicate more pro-actively about our joint impact, synergies and respective distinct roles.

Questions this paper addresses

- A. What is the outcome and the status of donor agreement signing trends and pledge conversion and ongoing resource mobilization priorities?
- A. What are the key priorities for the Eight Replenishment, building on Seventh Replenishment lessons learned, landscape analysis and governance's input?
- B. Where do we stand with the Eighth Replenishment Action plan implementation and the work on the Investment Case?
- C. What are the risks the Global Fund partnership needs to mitigate during the current replenishment cycle?

Input received

- During its 50th meeting, the Board congratulated the partnership on high pledge conversion rates for the Seventh Replenishment and encouraged the Secretariat to continue resource mobilization efforts to maximize the available US matching pledge. The Board acknowledged that, despite external volatility, the Global Fund has been a stable partnership delivering quality work to save millions of lives and strengthen health systems, calling attention to its critical role in achieving SDG 3 targets. The Secretariat was encouraged to focus the Investment Case on the Global Fund's comparative advantages and core competencies, socializing this messaging with the Board early on. The Board asked about the anticipated level of ambition for the Eighth Replenishment, requesting that contingency plans and adequate risk mitigation be built in, while also highlighting the need to balance ambition and realism. Board Members underscored the importance of building fiscal capacity,

addressing legal and structural barriers, transition planning and encouraging co-financing and domestic contributions in implementing countries alongside replenishment efforts for greater sustainability.

Update on pledge conversion and ongoing resource mobilization

1. As of 31 December 2023, conversion of Seventh Replenishment pledges has progressed well with 28% (USD 3.8 billion) of adjusted pledges received in cash, showing donor confidence (comparable to the same period of the 6th replenishment and with the expectation to fully convert the remaining adjusted pledges). The Global Fund has signed agreements with 77% (61 of 79) of donors. For the most part, public donors have signed agreements with multi-year payment schedules (28 of 50). Conversion of outstanding pledges remains a focus for the Seventh Replenishment Cycle (2023-2025) and continues to be actively pursued.
2. With a solid 96% (USD 17.1 billion) of adjusted pledges for the Sixth Replenishment received in cash, conversion of the remaining outstanding pledges for the Sixth Replenishment Cycle (2020-2022) also continues to be a priority and actively pursued.
3. 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. 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.
4. The Global Fund continues its work to mobilize funds during the 2023-2025 period to further meet the needs identified in the Seventh Replenishment Investment Case. These efforts are focused on reaching out to donors who have not pledged yet or pledged annually or for only part of the cycle, and on monitoring budgetary processes and the broader landscape to identify potential additional contributions from public and private sector donors.
5. In Q4 2023, Ireland (EUR 750 thousand) and Luxembourg (EUR 750 thousand) announced top-ups to their Seventh Replenishment pledges. On the private sector's side, a joint commitment from GSK and Viiv Healthcare (GBP 6 million) and a pledge from the Roche Foundation (CHF 600 thousand) were announced for the Seventh Replenishment period. The full Global Fund partnership needs to continue supporting the cultivation of new or emerging opportunities in a very competitive and challenging fundraising environment.
6. The Global Fund also continues to pay attention to blended finance and Debt2Health, and other modalities that tap into different budget lines or will attract funding from other sources. The Secretariat continues to participate in global discussions on development financing and financing for health. Notably, the G20 has prioritized Debt2Health as a high-potential intervention, given the Global Fund, donors and partner countries have a robust track record of implementing this mechanism.

Key priorities for 2024

7. In addition to pledge conversion and building on the Seventh Replenishment lessons learned exercise, robust analysis of the external landscape and previous AFC and Board inputs, the Global Fund is pursuing the following priorities to build the groundwork for the Eighth Replenishment:
8. **Positioning and Visibility:** More pro-active visibility and positioning efforts in close collaboration with global health partners and other key stakeholders are necessary to ensure that the Global Fund participates in relevant global health discussions and demonstrates how our work links to priorities that are high on the international agenda. Opportunities this year include the 77th World Health Assembly, the G7 and G20 processes; the 79th UN General Assembly together with the Summit

for the Future and the UN High-level Meeting on Antimicrobial Resistance. Several international and regional disease- and theme-specific events such as AFRAVIH in Cameroon, AIDS2024 in Munich, the World Health Summit in Berlin and COP29 in Baku will also be important advocacy, visibility, and positioning opportunities for the Global Fund partnership.

9. Across all these platforms, the Global Fund will need solid evidence-based messaging for amplification by the partnership that reinforces the Global Fund's unique role and added value in delivering health impact alongside other global health partners. Our positioning and visibility efforts will also need to be underpinned by ongoing engagement and collaboration with partners and active participation in partners' processes. Examples include the Global Fund's continuing engagement in the process for developing WHO's General Programme of Work (GPW) and preparations for the Investment Round, the recently reinvigorated MOU with the World Bank, the continued engagement with the Pandemic Fund, the launch of a new partnership with the Green Climate Fund, and our ongoing close collaboration with Gavi, Unitaid, FIND, UNAIDS, Stop TB, RBM Partnership to End Malaria and many others.
10. **Advocacy and Champions:** In the area of advocacy, our aim is to continue mobilizing partner countries and closely coordinating with our advocacy partners in line with the advocacy roadmap to effectively catalyze continued support to the Global Fund despite competing priorities, heightened global tensions, political volatility and threats to civic spaces. Furthermore, it will be important to continuously nurture political champions, foster community involvement, and amplify civil society expertise and voices to ensure that we are well positioned to work with these stakeholders on co-creating an inclusive and compelling Eighth Replenishment campaign to be launched in early 2025.
11. **External and Domestic Financing:** The Global Fund's engagement in the review of the international financing framework also continues to be vital as we further explore innovative approaches, partnerships, and potential funding sources. Through the governance discussions on sustainability that are underway, we hope to provide clarity on the current and future role and trajectory of domestic financing, and to continue to reinforce the Global Fund's role in catalyzing increased investments in health. Clarifying our approach to sustainability, including through the sustainability, transition, and co-financing policy, is crucial for promoting long-term program effectiveness and financial stability.

Eighth Replenishment action plan – Progress update

12. The primary focus of the Action Plan for 2024-2025 is to maximize the success of the Eighth Replenishment Pledging Conference since the pledges secured ahead of or at this event will represent the bulk of donor contributions for the 2026-28 period and funding for country allocations for the 2027-29 implementation period. Progress is being made on all action plan priorities according to our early replenishment planning:
13. Efforts are underway to develop a **technically robust and compelling Investment Case for the Eighth Replenishment**. The setup phase is nearing completion, with agreements on inputs from key technical teams and modeling institutions ready to commence work on HIV, TB and malaria modeling. Discussions with partners and specific areas of Investment Case are ongoing, with the first modeling Guidance Group meeting scheduled for April 2024.
14. A **dynamic and engaging replenishment communications campaign** is being developed to integrate key Global Fund Strategy themes. Work continues to refresh the narrative and messaging, with a focus on enhancing the Global Fund brand relevance in the evolving global health context.

Mapping of priority geographies, themes, events/platforms, and audiences is underway to strengthen communication strategies across sectors and donor geographies.

15. Efforts are being made to **secure robust hosting arrangements for the Eighth Replenishment Conference**. Hosting criteria have been defined based on lessons learned, with ongoing monitoring of political developments and analysis of co-hosting options. Mobilization of support from key partners is underway, and formal hosting outreach is expected to begin in mid-2024. The busy election calendar is complicating these efforts.
16. The Action Plan emphasizes the importance of **agile and responsive public donor engagement strategies** to secure strong donor pledges amidst a highly volatile environment. Focus areas include pledge conversion, donor cultivation, and building cross-party support for the Global Fund. Engagement with the 2024 presidencies of the G7 and G20 processes has commenced. Public donor engagement strategies are being refreshed for 2024-25 with input from wider advocacy partners, tailored communication and outreach plans, and increased efforts to engage cross-party and multi-institutional representatives.
17. Efforts are ongoing to develop **tailored engagement strategies to mobilize strong financial and non-financial contributions from private sector partners** for the Eighth Replenishment. These include a series of linked activities:
 - (i) identifying the potential need areas where private sector funding could be catalytic and beginning the process of designing possible fund modalities;
 - (ii) developing analysis of possible prospects to assess resource mobilization potential and risks associated with the potential donors;
 - (iii) developing and rolling out materials that showcase the role of the Global Fund in some of the catalytic spaces that are accelerating progress such as digital health, community health workers and laboratory and surveillance systems; and
 - (iv) leading on the development and implementation of the Global Fund's climate and health positioning and resource mobilization.

These activities, combined with a tailored private sector visibility and events strategy, build greater opportunities for ongoing resource mobilization and for the Eighth Replenishment. Continued mobilization and engagement of private sector voices for stronger advocacy in support of the Global Fund are also underway.

18. The Action Plan also prioritizes the **mobilization and meaningful engagement of champions and advocacy partners** throughout the Eighth Replenishment campaign. This involves rolling out an advocacy roadmap to strengthen and expand the Global Fund's advocacy ecosystem and forging synergies with governments, regional bodies, civil society, and global health partners to implement joint advocacy initiatives at national, regional, and global levels.
19. Planning for the **Replenishment events and milestones** will begin later in 2024 (Q3-4). However, as mentioned above, several global, regional and thematic events and platforms as well as key political and multilateral processes in 2024 will be key visibility and positioning opportunities and will serve as a solid foundation for the Eighth Replenishment campaign.
20. Finally, the Board and its members play a key role as ambassadors of the Global Fund and their continuous support to resource mobilization and advocacy efforts remain of paramount importance. More broadly, effective governance is a key enabler of the organizational mission and strategy, supporting results. In this context, the EGC recommendations regarding strengthening Board representation and inclusion aim to ensure that Global Fund governance remains efficient and fit for purpose in a challenging and fast-evolving resource mobilization landscape.

Risk management

21. Preparations for the Eighth Replenishment are underway amidst a notably volatile external environment. With an unprecedented number of elections, there is heightened political volatility in key donor and partner countries. Economic fluctuations and fiscal constraints continue to put pressure on already stretched donor budgets and on domestic health investments by partner countries. Additionally, the global health and development landscape is marked by complexity and intense competition. Amidst these challenges and multiple crises, there's a concerning trend of global health priorities fading into the background.
22. It is critical to continue mitigating these risks that have sharpened in recent months through:
- (i) **Ensuring 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, the particular added value of the Global Fund, and evidence-based and cost-effective interventions.
 - (ii) **Ensuring strong and bipartisan/multiparty commitment in parliaments** given the political volatility in many donor governments.
 - (iii) **Having an adequately resourced and engaged advocacy network** that can provide game-changing and credible advocacy targeted at donors.
 - (iv) **Sustaining a recognizable and valued brand and continuing to deliver clear and impactful communications** that provide the space for donor leaders to make extraordinary commitments for global health.
 - (v) **Creating 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.
 - (vi) Enhancing the way, we **collaborate with Global Health partners and communicating more pro-actively about our joint impact**, synergies, and respective distinct roles.

Next steps

23. Several topics that have been and will be deliberated on by the committees and the Board have major resource mobilization and replenishment implications and need to be considered in that context. These include the discussion on sustainability, which spans consideration of the Global Fund-specific policies and frameworks (eligibility criteria and allocation methodology, the Global Fund's Sustainability, Transition and Co-Financing Policy, the NextGen market-shaping framework, and efforts aimed at bolstering public financial management) as well as broader trends in domestic resource mobilization for health and the role of the various types of external financing, including grant funding channeled through the Global Fund.
24. Discussions on the follow-up to the Lusaka Agenda and the ways in which we are fostering closer collaboration with other global health partners, with particular emphasis on synergies with Gavi, the Vaccine Alliance, are also critical. It will be crucial to demonstrate how strengthening partnerships between global health partners facilitates resource mobilization, optimizes program delivery, and amplifies our collective impact.

25. The outcome of the discussions on Board representation will also have significant implications for the Global Fund's ability to attract and retain new donors.
26. Finally, the continued guidance and support from the Board to our resource mobilization and advocacy efforts remain of paramount importance.

Annexes

Annex 1: Relevant past documents and reference materials

1. Update on resource mobilization presented for information to the 50th meeting of the Global Fund Board ([GF/B50/22](#))
2. Update on resource mobilization presented for information to the 49th meeting of the Global Fund Board ([GF/B49/17](#))
3. Update on resource mobilization presented for information to the 48th meeting of the Global Fund Board ([GF/B48/24](#))
4. Update on resource mobilization presented for information to the 47th meeting of the Global Fund Board ([GF/B47/21](#))
5. Update on resource mobilization presented for information to the 46th meeting of the Global Fund Board ([GF/B46/20](#))