Financial Performance as 31st December 2023

51st Board Meeting

23 – 24 April 2024, Geneva, Switzerland

For Information

GF/B51/15

Agenda

Executive Summary

Positive ALM with PO decision to be reassessed for July AFC

- ✓ Geopolitical tensions & continued volatility of financial markets requires a **prudent approach on the ALM**. The SoF performance & GC7 forecast will be reassessed for the July AFC to determine gap filling opportunities through potential HTM PO.

SoF progressing despite continued volatility of financial markets

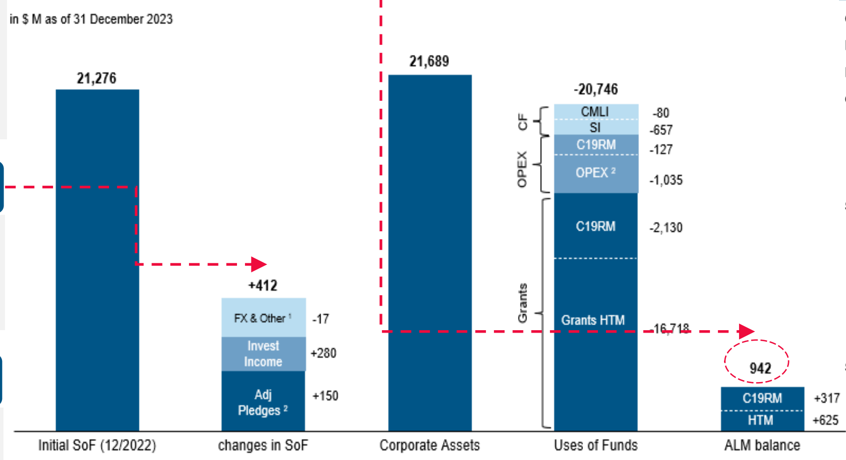
- ✓ **Positive evolution** of Sources of Funds driven by good performance on investment income & reversal of previous unmaterialized risk adjustments.

GC6 HTM performance is robust & on track to meet Sec. target

- ✓ Proximal fin. Info. at 31 Dec 23 re-affirms **good performance of GC6** grants, **on track to meet Sec. 85% ICA target** by the end of the cycle (+-4% margin).
  - ❑ 70% of GC6 grants ended in Dec 23 already report proxy. ICA of 85%, illustrating strong performance.

C19RM shift illustrates an opportunity to execute largest RSSH inv.

- ✓ **Proxy ICA of 61%** (+13pp vs June 23) shows **progress** & also reflects impact of budget re-phasing following the shift.
- ✓ **99%** (or US$ 2.2Bn) of modelled funds for the **shift is already approved**, with **70%** (or US$ 1.5Bn) of the **shift** directed towards **RSSH investments**.
- ✓ Past implementation challenges on **HTM RSSH highlights implementation risks** cross-cutting onto C19RM.
- ✓ **Focused oversight** required **on key RSSH inv.** to determine gaps, remove implementation barriers & facilitate agile adjustments in execution modalities.
- ✓ **Continued activation of levers** such as TAs through the CMLI mechanism to accelerate implementation of C19RM RSSH activities.



Organizational Performance	%
Overall ALM Utilization	**96%**
Pledge Quality (R7)	87%
Pledge quality (R6)	94%
Grant Operations (AU)	
HTM (GC7)	*95%*
HTM (GC6)	*96%*
C19RM 2021	*93%*
Strategic Initiatives	
Catalytic Funding (GC7)	*97%*
SI_ Catalytic (GC7)	95%
Non-SI_ Catalytic (GC7)	95%
SI_ Catalytic (GC6)	*91%*
SI_ CMLI (GC6)	*85%*
Secretariat Operating Costs	
Regular OPEX (GC7)	*100%*
C19RM Mngt fees	*100%*

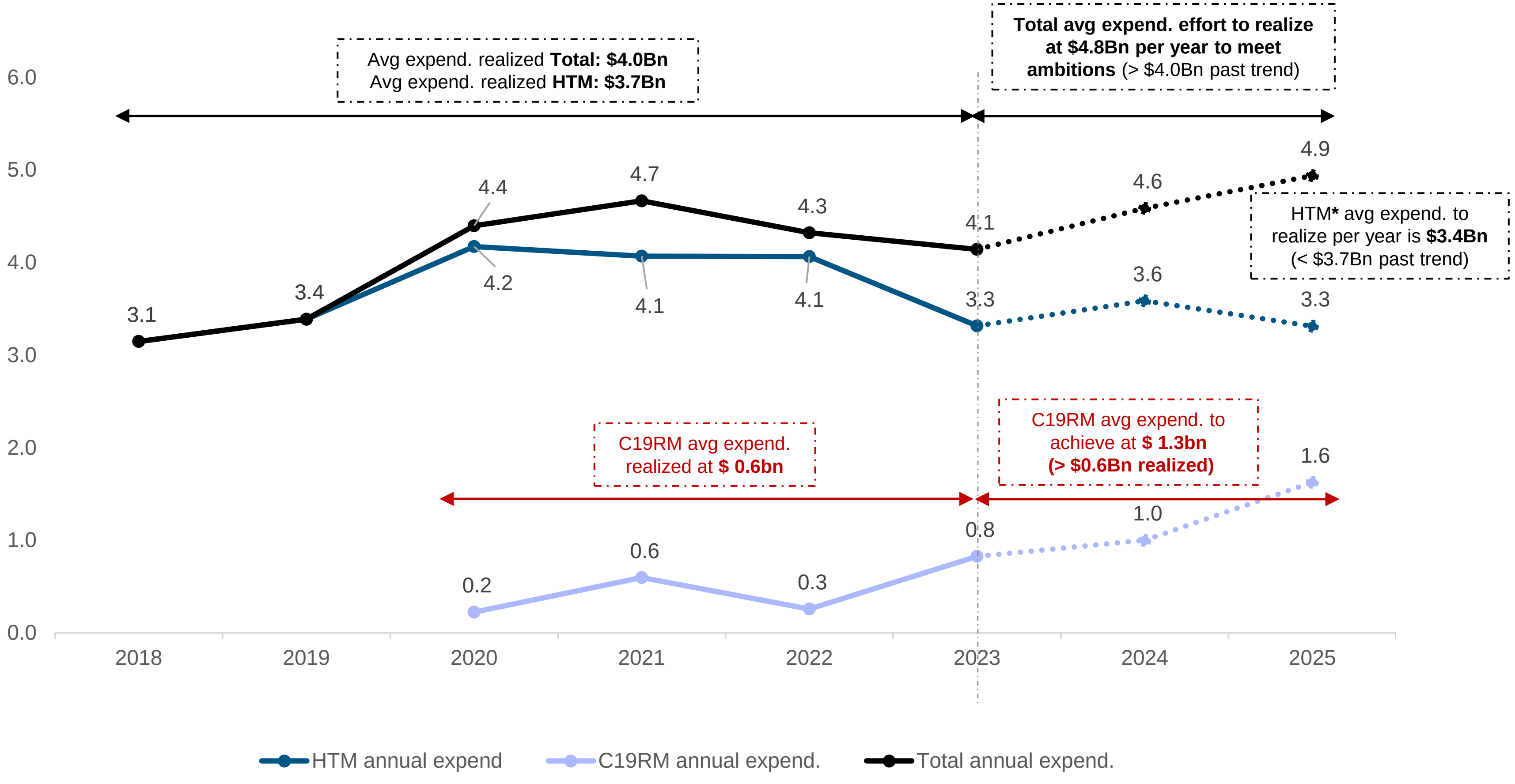
By Region - as at **31 December 2023 (High & Core grants)**

	HTM					C19RM 2021				
	Cum. Bud.	**BU**	**DU**	**ICA**	*ICA*	**Cum. Bud.**	**BU**	**DU**	**ICA**	*ICA*
Target:		95%	90%	85%	*(Q2 2023)*		95%	90%	85%	*(Q2 2023)*
West & Central Africa (WCA)	$3,691 M	92%	92%	83%	*82%* ⬆	$1,007 M	67%	81%	54%	*43%* ⬆
Rest of Africa (RoA)	$5,196 M	90%	91%	79%	*80%* ⬆	$1,181 M	73%	89%	65%	*51%* ⬆
Rest of the World (RoW)	$2,401 M	94%	93%	82%	*72%* ⬆	$606 M	90%	74%	67%	*52%* ⬌
Overall Results	**$11,288 M**	**92%**	**92%**	**81%**	*78%* ⬆	**$2,794 M**	**74%**	**82%**	**61%**	*48%* ⬆

	Cum. Bud.	BU	DU	ICA
Grants ending in Dec 2023	**$8,304 M**	**93%**	**95%**	**85%**
Grants ending AFTER Dec 2023	**$2,985 M**	**88%**	**84%**	**71%**

Evolution of in-country execution confirms HTM maturity and the focus required for C19RM to meet ambitions of the shift.

Annual expenditure view with projected ambitions



Key Insights

HTM

- HTM projected spend ambitions in 2024 ($ 3.6Bn) & 2025 ($ 3.3Bn) considered highly realisable with similar performance achieved in the past.

C19RM

- C19RM expenditure trends illustrate the need for **sharp amplification** of **execution** in 2024 & 25 to meet ambitions of the shift (US$ 1.3Bn avg. annual spend vs US$ 0.6Bn avg. spend for prior years).
- This requires activation of all levers to reinforce execution capacity & robust oversight to remove implementation barriers & facilitate agile adjustment in execution modalities.

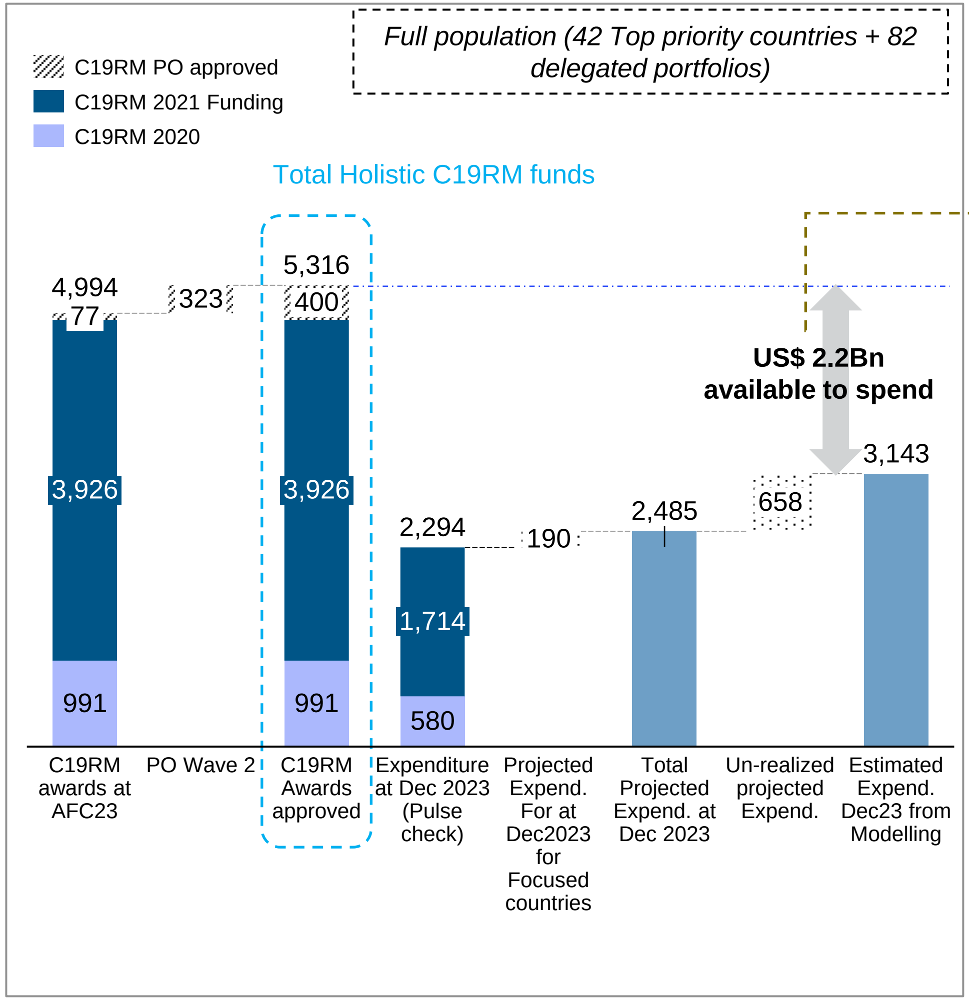
Projection assumptions:
- Dec 2023 projected using proximal information for HI & Core grants
- GC6 & C19RM projected at 85% absorption
- * GC7 projected at 75% after Year 1 and 80% after Year 2 (new KPI targets) based on GAC approvals (~70% of allocation)
- HTM includes GC4, GC5, GC6 and GC7.
- For those trendlines, C19 2020 expend. have been reclassified from HTM to C19RM.

THE GLOBAL FUND

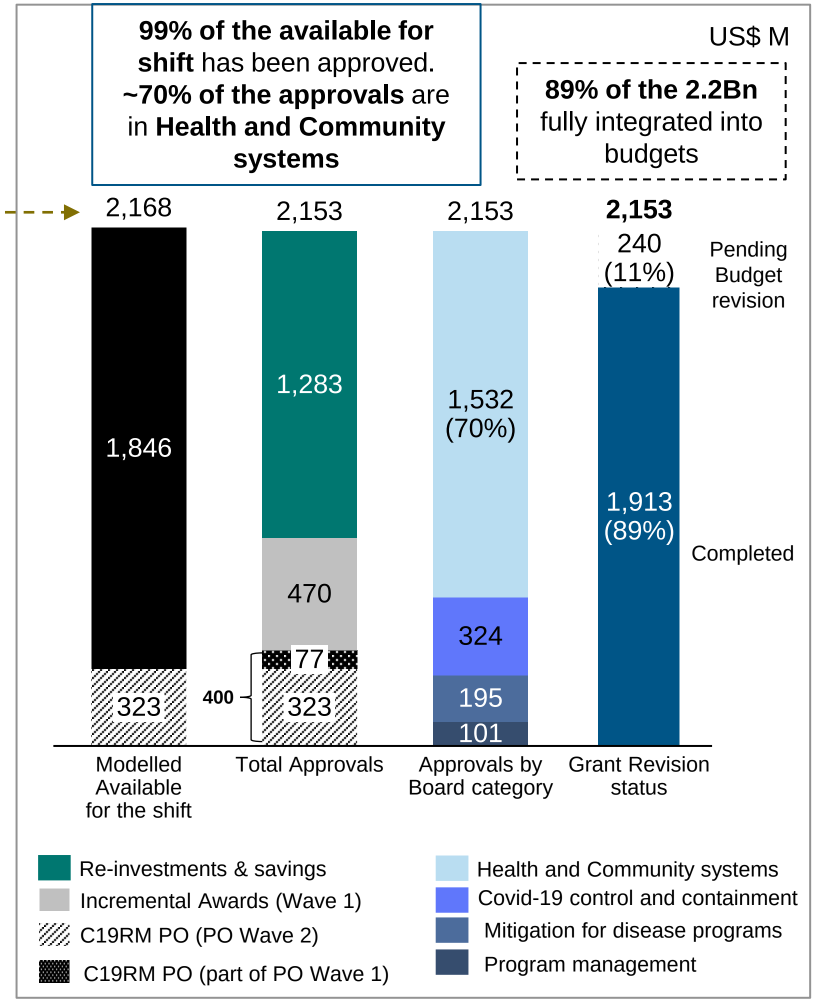
C19RM - 99% of the modelled funds for the shift is approved. This is an opportunity to execute additional inv. of US$ 2.2Bn, of which ~70% is RSSH focussed.

~US$ 658M modelled unreported exp. at 31 Dec illustrates potential funds available for reprogramming to be reconsidered later in 2024 after PR submission of exp. reports

Holistic C19RM Status



Progress on Reinvestment Shift Approval



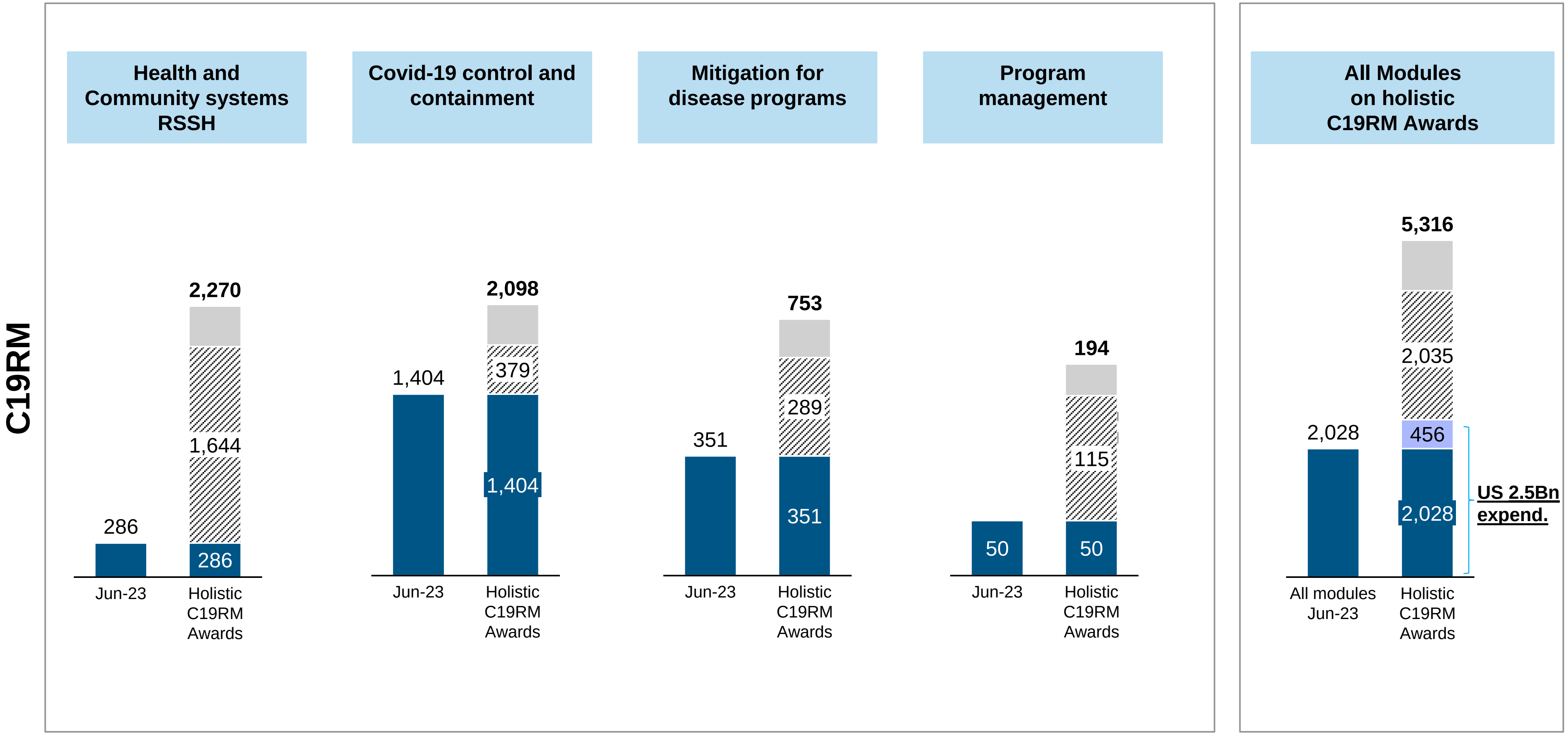
Key Insights

- **70% of the reinvestment shift** illustrates an **opportunity** to **execute** a further **$1.5Bn on Health and Community Systems**.
- With history of underperformance on HTM RSSH, it is imperative to **establish solid Monitoring & Oversight** with defined metrics across all **C19RM RSSH** activities to track implementation progress and remove barriers to implementation.
- **Leveraging** on **Technical Assistance** through CMLIs for high value & complex activities **on C19RM RSSH** will enable accelerate execution to meet ambitions of the shift.

Significant acceleration in Health and Community systems implementation is required to reach the 85% ambition.

Holistic analysis of total C19RM* investments & magnitude of the shift into execution

All C19RM modules



Key Insights

- C19RM shift represents the **largest opportunity** to **execute** the current scale of **RSSH** investments.
- **81%** (US$ 1.6Bn) of the holistic C19RM **funds left to execute** (US$ 2.0Bn) to meet the 85% utilization ambitions is **attributable to RSSH inv**.
- Additional investment on program management costs and current funding of TAs through CMLI initiatives is made in a context to continue reinforce C19RM implementation capacity to execute the shift.

* Analysis based on 30 June 2023 expenditure reports as proxy. fin. info. at Dec 23 does not provide expenditure by intervention. This will be available after PR submission in Q2 2024. For the total C19RM modules, the proximal expenditure at 31 Dec 23 is available and projected to have a full portfolio view of expenses against approved awards. To also note that expenditures include C19RM 2020 expenditure for the holistic view.

Expenditures
Dec23 Pulse check projected
Potential un-optimized
Gap to 85% target

Holistic View by Nature – Total Sec. OPEX reports a strong combined utilization of 97%, illustrating impact of cost optimization efforts with active budget monitoring

	Regular OPEX			OPEX - C19RM			Strategic Initiative			Co-Funding (7th Repl.)			TOTAL		
in US$ M	FY 2023 Actuals	FY 2023 Revised Budget	Budget Utilization %	FY 2023 Actuals	FY 2023 Revised Budget	Budget Utilization %	FY 2023 Actuals	FY 2023 Budget	Budget Utilization %	FY 2023 Actuals	FY 2023 Budget	Budget Utilization %	FY 2023 Actuals	FY 2023 Revised Budget	Budget Utilization %
LFA Fees	**47.2**	**45.9**	**++**	**9.2**	**11.0**	**84%**	**-**	**-**		**-**	**-**		**56.4**	**56.9**	**99%**
CCM Funding	**10.8**	**10.6**	**++**	**0.5**	**0.8**	**63%**	**-**	**-**		**-**	**-**		**11.3**	**11.4**	**99%**
Costs Secretariat and OIG	**266.8**	**277.8**	**96%**	**28.0**	**32.7**	**86%**	**7.1**	**8.8**	**81%**	**4.2**	**4.2**	**100%**	**306.1**	**323.5**	**95%**
Workforce	188.1	192.8	98%	20.5	22.5	91%	6.1	8.3	74%	-	-		214.8	223.6	96%
Staff	177.3	188.0	*94%*	17.4	19.8	*88%*	4.9	7.4	*67%*	-	-		199.6	215.2	*93%*
Individual / Temp Consultants	10.9	4.8	++	*3.1*	*2.7*	++	1.2	0.9	++	-	-		15.2	8.4	++
Professional fees	36.1	38.9	93%	3.4	4.6	73%	-	-		-	-		39.5	43.5	91%
Travel	14.0	15.1	93%	2.0	1.8	++	0.7	0.3	++	-	-		16.7	17.2	97%
Meetings	2.3	2.0	++	-	0.1	0%	0.3	0.3	++	-	-		2.5	2.3	++
Communications	1.7	2.1	78%	0.0	-		-	-		-	-		1.7	2.1	78%
Office Infrastructure	20.8	21.2	98%	1.4	1.8	80%	-	-		-	-		22.2	23.0	97%
Board Constituency	1.1	1.5	75%	-	-		-	-		-	-		1.1	1.5	75%
Depreciation	2.7	4.0	67%	-	-		-	-		-	-		2.7	4.0	67%
External Co-Funding	0.0	0.0		-	-		-	-		4.2	4.2	100%	4.2	4.2	100%
Other Assurances (SO)	0.0	0.0		0.7	2.0	35%	-	-		-	-		0.7	2.0	35%
Opex before non-recurring costs	**324.8**	**334.3**	**97%**	**37.7**	**44.5**	**85%**	**7.1**	**8.8**	**81%**	**4.2**	**4.2**	**100%**	**373.8**	**391.9**	**95%**
Total Non-recurring costs	**12.1**	**5.7**	**++**	**0.6**	**1.2**	**49%**	**-**	**-**		**-**	**-**		**12.7**	**6.9**	**++**
Opex before non-recurring costs	**336.9**	**340.1**	**99%**	**38.3**	**45.7**	**84%**	**7.1**	**8.8**	**81%**	**4.2**	**4.2**	**100%**	**386.5**	**398.8**	**97%**

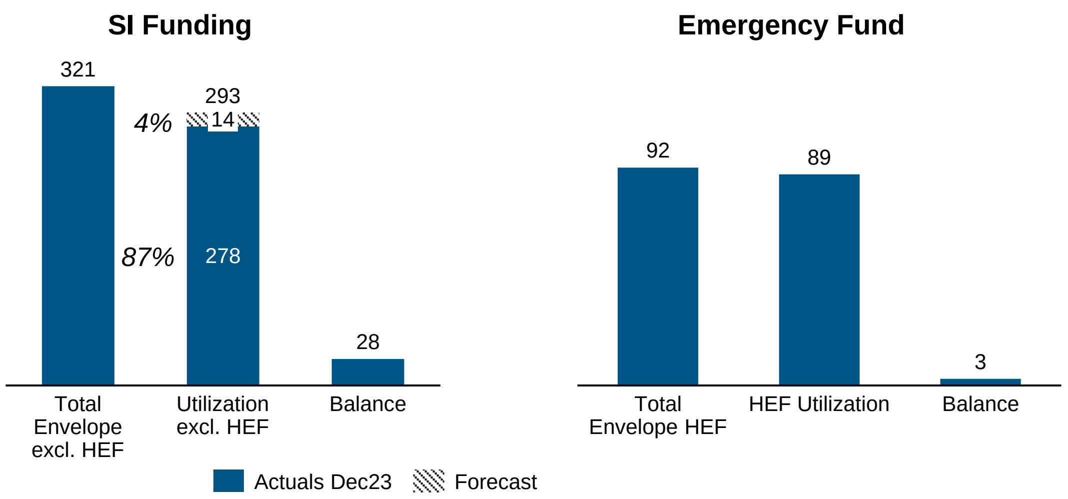
THE GLOBAL FUND

SI fund utilization of 91%[1] shows good progress (+6pp vs. previous fcst) on the backdrop of past implementation delays & exceeds the Sec. utilization target

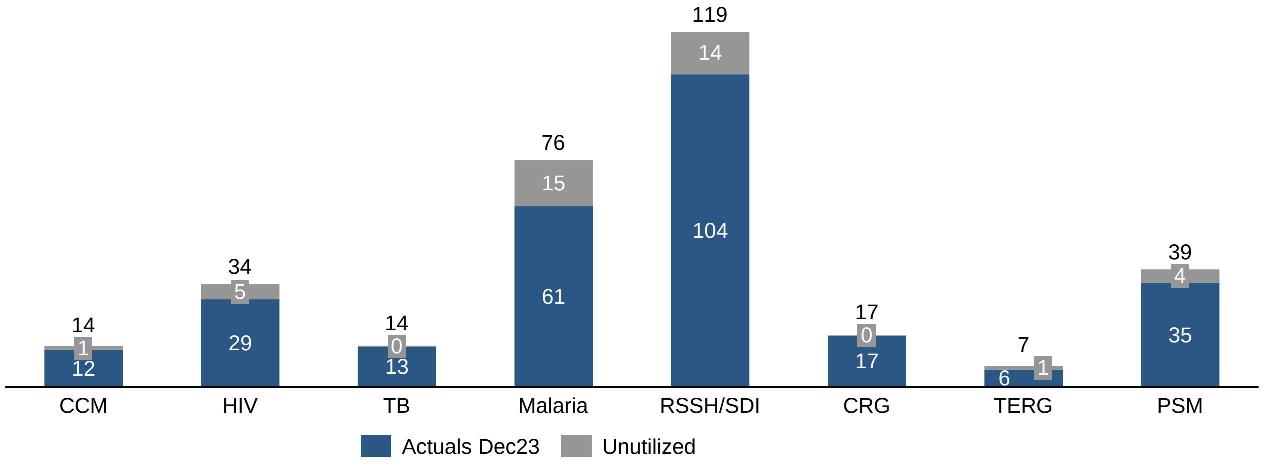
Positive impact of proactive revision & reallocation decisions contributed to improve SI utilization levels

in $ M

Board Envelope vs. Utilization Forecast



Utilization by Thematic Area (Based on Approved GAC Budgets)



- **Total SI Fund utilization** of **91%** or **US$ 293 M** is projected and already **exceeds the Sec. utilization targets**. This illustrates good progress from previous implementation delays with the positive impact of proactive revisions & reallocations.
- **Actual Fund utilization** was **87%** at end of December 2023 (US$ 278M), inclusive of the LLIN SI which was extended to the end of 2024. Actual fund utilization will increase over the remainder of 2024, with ~US$ 14M available for LLIN SI expenditure in 2024.
- **US$ 14 M** of the **remaining forecast** is mainly attributable to the MAL 3-LLIN SI which was extended until December 2024.
- SIs leveraged revision and reallocation to address bottlenecks and help maximize fund utilization in response to delays encountered in Year 1.
- Potential unutilized funds of US$ 28 M is driven by delays encountered in the first year of implementation, when countries and CTs appropriately prioritized C19RM, with implications on SI scale up and implementation.

SI	Total $ M	Implemented by Partners*	Other Imp
Funding	321	23%	78%
Utilization	278	76%	90%

- Partners implement activities that account for about 23% of the total SI portfolio value
- Higher fund utilization among Partners reflects recognition of Partners disbursements as expenditure

1 Utilization figures exclude the Emergency Fund
GAC approved amount: USD 320.1 M

NB: This slide refers to Strategic Initiatives 2020-2022 cycle excluding private sector contributions. Figures are rounded.

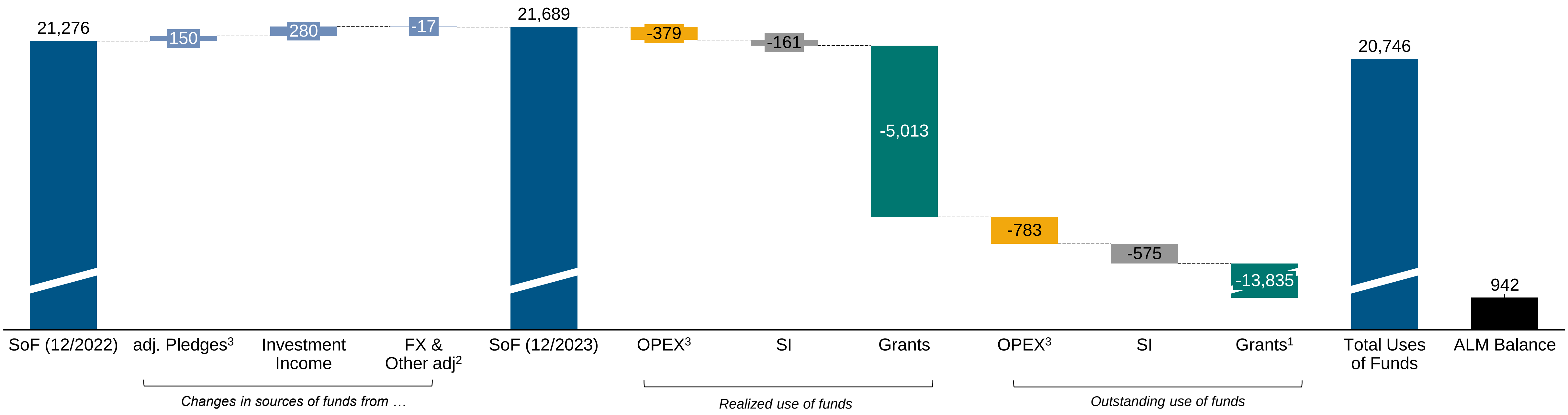
* Partners refers to technical partners engaged through non-competitive agreements

ALM balance illustrates optimal use of resources with PO opportunities to be considered later in 2024 after start of implementation of GC7 & C19RM shift

Overall ALM until the 7th Replenishment

Amounts in US$ millions at reference rate, actuals to 31 December 2023

ALM Balances – incl. 7th Replenishment



- Positive combined ALM of US$ 942M (HTM – US$ 625M; C19RM – US$ 317M).
- Sources of funds shows progress (+US$ 412M) on inv. income, forex & reversal of some previous unmaterialized risk adjustments.

NB: Figures are rounded.

1. *Includes normative assumption of 95% utilization of GC7 allocations.*
2. *Includes US$0.5M prior-period FX & Other adjustment highlighted at AFC22.*
3. *Includes US$ 10M of funding related to operating expenditure funded through co-funding contributions.*

THE GLOBAL FUND

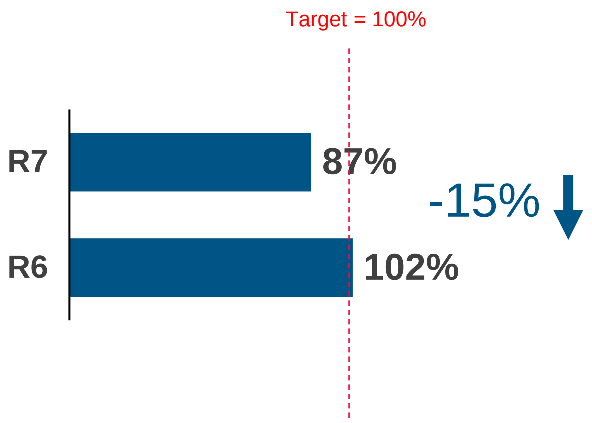
Annexes

Good progress on pledge conversion with US$ 3.8Bn encashed while pledge quality for R7 reflects the impact of pledge adjustments & set-asides

$ M at reference rate – Dec 23

Pledge Target – KPI 10a

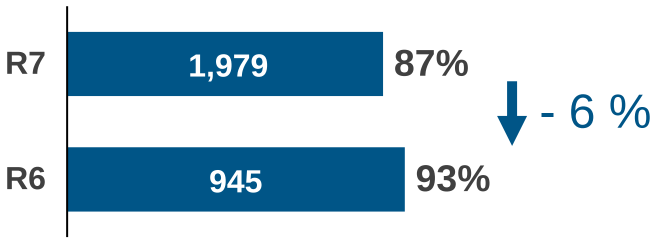
in %



- **Announced pledges of US$ 15.684Bn reaching 87% of the R7 target of US$ 18Bn.**
- While announced pledges are higher in nominal terms compared to the R6 (US$ 14.288Bn), it trails by 15% when compared to the previous cycle performance against target.
- Resource mobilization efforts remain ongoing to reach the 7th replenishment target.

Pledge Quality

Pledge adjustments in $ M, pledge quality in %



- **Pledge quality -6% lower at 87%** **compared to the similar period under the 6th replenishment**
- Value of pledge adjustments is higher by US$ 1,034M and currently stands at US$ 1,979M in 7th replenishment, largely driven by the US unmatched pledge adjustment and increased TA set-asides.

Cash Conversion

in $ M

US$ 3,783

7th Replenishment

- US$ 46

US$ 3,829

6th Replenishment

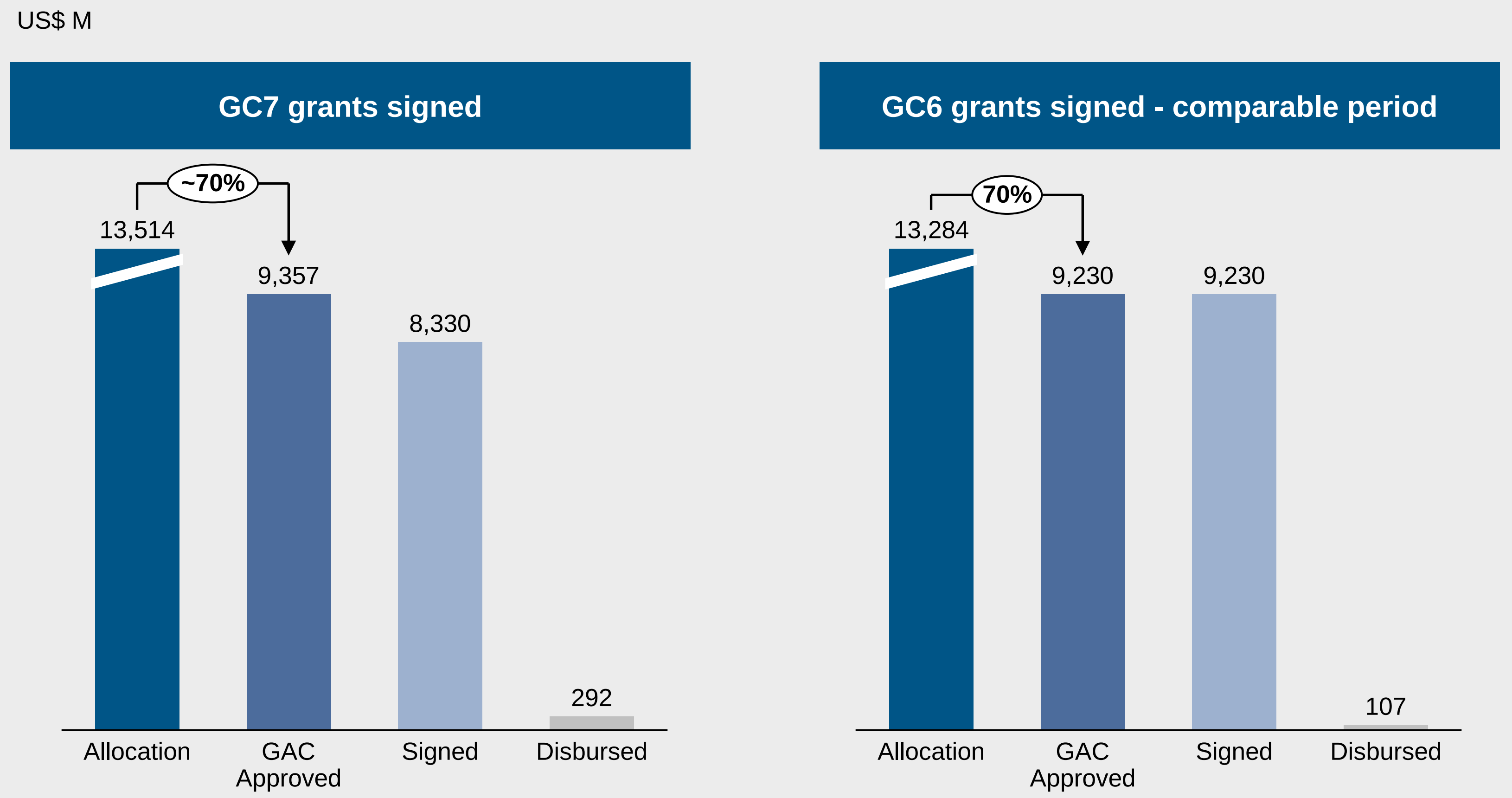
- **Absolute cash receipts of US$ 3,783M lower by -US$ 46M in 7th replenishment cycle compared to the similar period under the 6th replenishment**
- Cash conversion of 28% comparable to conversion levels for the similar period under the 6th replenishment at 29%.
- At Dec'23 conversion rate of the 6th replenishment at 96% of adjusted pledges (US$ 17.1 Bn received out of US$ 17.8Bn).

Note: Some totals may not add up due to rounding.

GC7 Grant Update : ~70% of total GC7 allocation approved & marginally higher in monetary terms vs. GC6 for the comparable period.

Strong start to GC7 with disbursements at Dec 23 around 3 times more vs GC6 comparable period

- 2023 was an intense year for the Secretariat, with reprogramming and reinvestment approvals for C19RM taking place concurrently with the process of GC7 grant-making.
- US$ 9.4Bn worth of grants approved by 31 December 2023 representing ~70% of total GC7 allocation.
- Strong start to GC7 with disbursements nearly three times more to what was disbursed for GC6 comparable period.



Notes:

- Amounts include Grants, Matching Funds, Multi country funds and other (Private Sector, Debt-to-Health, portfolio optimization and other).
- Includes extensions using funds from the relevant allocation cycle only.
- Data extract as at 31 December 2023

2023 OPEX reaffirms optimal budget utilization (99%) and limited flexibility to fund emerging needs and other workload related tensions

FY 2023 Actuals & Budget - by cost nature

in US$ M	FY 2023 Actuals	FY 2023 Revised Budget	Var. Actuals vs Budget abs	Var. Actuals vs Budget %	Budget Utilization %
LFA Fees	**47.2**	**45.9**	**1.3**	**2.8%**	**103%**
CCM Funding	**10.8**	**10.6**	**0.2**	**1.4%**	**101%**
Costs Secretariat and OIG	**266.8**	**277.8**	**(11.0)**	**(4.0%)**	**96%**
Workforce	188.1	192.8	(4.7)	(2.4%)	98%
Staff	*177.3*	*188.0*	*(10.7)*	*(5.7%)*	*94%*
Individual / Temp Consultants	*10.9*	*4.8*	*6.0*	*++*	*225%*
Professional fees	36.1	38.9	(2.8)	(7.2%)	93%
Travel	14.0	15.1	(1.1)	(7.5%)	93%
Meetings	2.3	2.0	0.2	11.5%	112%
Communications	1.7	2.1	(0.5)	(22.0%)	78%
Office Infrastructure	20.8	21.2	(0.4)	(2.1%)	98%
Board Constituency	1.1	1.5	(0.4)	(25.4%)	75%
Depreciation	2.7	4.0	(1.3)	(32.7%)	67%
External Co-Funding	0.0	0.0	0.0	0.0%	
Opex before non-recurring costs	**324.8**	**334.3**	**(9.6)**	**(2.9%)**	**97%**
Total Non-recurring costs	12.1	5.7	6.4	++	**212%**
Total operating costs	**336.9**	**340.1**	**(3.2)**	**(0.9%)**	**99%**

FY 2023 Actuals & Budget - by Delivery Approach

in US$ M	FY 2023 Actuals	FY 2023 Revised Budget	Var. Actuals vs Budget abs	Var. Actuals vs Budget %	Budget Utilization %
Strategy & Resource Mobilization	**34.1**	**35.1**	**(1.1)**	**(3.0%)**	**97%**
Strategy	8.9	10.5	(1.6)	(14.8%)	85%
Resource Mobilization	25.2	24.7	0.5	2.0%	++
Operational Delivery	**117.4**	**122.6**	**(5.2)**	**(4.2%)**	**96%**
Grant Mgt Country Teams	75.4	77.1	(1.8)	(2.3%)	98%
Technical Delivery	42.0	45.5	(3.4)	(7.5%)	92%
Secretariat Support / Enabler	**81.2**	**82.3**	**(1.1)**	**(1.3%)**	**99%**
Assurance	**24.6**	**26.1**	**(1.6)**	**(6.0%)**	**94%**
Structural & Technical Adjustments	**12.1**	**5.7**	**6.4**	**++**	**++**
PART A - Total Secretariat	**269.3**	**271.8**	**(2.5)**	**(0.9%)**	**99%**
Operational Delivery	**11.8**	**12.1**	**(0.4)**	**(3.1%)**	**97%**
CCM & CCM Evolution	11.8	12.1	(0.4)	(3.1%)	97%
Assurance	**55.8**	**56.1**	**(0.3)**	**(0.5%)**	**99%**
PART B - In-Country & Independent bodies	**67.5**	**68.2**	**(0.7)**	**(1.0%)**	**99%**
Total operating costs	**336.9**	**340.1**	**(3.2)**	**(0.9%)**	**99%**

Key Insights

- Workforce - the flexibility on onboarding and short-term coverage has helped to manage workforce tensions and needs in 2023, with an overall workforce utilization of 98%.
- Non-Workforce – robust budgetary oversight enabled to create some fiscal space through savings mainly on prof. fees, travel, & comms that allowed funding of identified gaps.

C19RM Mgmt. & Op. Costs illustrate good utilization levels of 53% with full utilization forecasted by the end of C19RM implementation period

C19RM Management & Operating Costs by Nature

in US$ M	YTD Dec 2023 Actuals	ITD 2021 - 2023 Actuals
LFA Fees	**9.2**	**28.7**
Other Assurances (SO)	**0.7**	**6.4**
CCM Funding	**0.5**	**2.7**
Secretariat Costs	**27.3**	**61.2**
Workforce	20.5	44.9
Staff	*17.4*	*37.6*
Consultants	*3.1*	*7.2*
Professional Fees	3.4	8.3
Travel	2.0	3.9
Meetings	-	0.0
Communications	0.0	0.1
Office Infrastructure	1.4	4.0
Total Opex before non-recurring	**37.7**	**99.0**
Non-recurring costs	**0.6**	**1.9**
Total Actuals	**38.3**	**100.9**
Total Envelope	**190.0**	**190.0**
Total Utilization	**20%**	**53%**

Management & Operating Costs by Thematic Area

in US$ M	YTD Dec 2023 Actuals	ITD 2021 - 2023 Actuals
Secretariat Operational Capabilities	**18.4**	**39.9**
Programmatic Capabilities	**4.4**	**10.6**
Organizational Risk & Assurance	**0.7**	**1.3**
Digitalization and IT security	**3.7**	**8.8**
In-Country & External Assurance	**10.6**	**38.4**
Structural and Technical Adjustments	**0.6**	**1.9**
Total Actuals	**38.3**	**100.9**
Total Envelope	**190.0**	**190.0**
Total Utilization	**20%**	**53%**

- C19RM Management & Operating Costs are mainly driven by workforce and LFA fees, making up 78% of the 2023 full year actual spend.
- Cumulative envelope utilization of 53%, with 2 years remaining until 31 Dec 2025 for the end of C19RM implementation.
- With the current utilization trend, it is expected that the 100% utilization rate will be met by the end of the implementation period.

NB: Figures are rounded.

Grant Financial Performance Index

Measurement	Definition	Calculation	Thresholds
Allocation Utilization (Forward looking)	Total amount of funds disbursed and forecasted to be disbursed to a country, against its allocation amount for the Allocation and Grant Implementation Period.	Forecasted Disbursement / Allocation	Allocation Utilization: >= 91%; 75% to <91%; Below 75%
Budget Utilization	A forward-looking metric providing visibility on actual disbursements against the latest approved budget and implementation period. This effectively measures the release of funds for Goods & Services to be delivered at country level	(Disbursement + Cash Balance) / Budget	Budget Utilization: >= 95%; 85% to <95%; Below 85%
Disbursement Utilization	This is indicative of in-country utilization of funds disbursed within the implementation period. It is the proxy assessment of absorptive capacity and indicates potential in-country cash optimization level	Expenditure / Disbursement	Disbursement Utilization: >= 90%; 75% to <90%; Below 75%
In-Country Absorption *(Backward-looking)*	Proportion of the cumulative in-country expenditure against the cumulative grant budget, within the reported timeframe during the Grant Implementation Period.	Expenditure / Budget	In-Country Absorption: >= 85%; 75% to <85%; 65% to <75%; Below 65%

Definitions

Sources of Funds (SoF)

1. Pledges

1.1 Adjusted pledges

Announced pledges less adjustments for risk and ineligible factors as defined in the Comprehensive Funding Policy (CFP).

1.2 Pledge quality

Ratio of adjusted pledges to announced pledges where a higher ratio implies a higher pledge quality.

Uses of Funds

2. Grants

2.1 Allocation Utilization (AU)

Total amount of funds that is disbursed and forecasted to be disbursed to a country against its allocation amount for the Allocation and Grant Implementation Period.

2.2 Budget Utilization (BU)

A forward-looking metric providing visibility on actual disbursements against the latest approved budget and implementation period. This effectively measures the release of funds for Goods & Services to be delivered at country level.

2.3 In-Country Absorption (ICA)

Proportion of the cumulative in-country expenditure against the cumulative grant budget, within the reported timeframe during the Grant Implementation Period.

2.4 C19Rm In-country utilization

Total C19RM expenditure against C19RM awards + Grant Flexibilities. This is a better measurement of financial performance for C19RM given PR has flexibilities to reprogram through grant flexibilities.

2.5 Proximal Financial Information from Pulse Checks

To strengthened oversight and enhance country performance, Principal Recipients now provide key financial metrics quarterly through Pulse Checks for High Impact and Core grants. Although the information shared by the implementers is not reviewed by our assurance providers, the insights gained from those Proximal financial information offer a reliable indicator of absorption (within a +/- 4-5% margin of error). This allows the Global Fund, implementing countries and partners to foresee potential issues and make necessary adjustments.

3. Strategic Initiatives (SI)

3.1 SI Fund Utilization

Total amount of funds forecasted to be paid / disbursed against initial SI envelope.

4. Operating Expenditure (OPEX)

4.1 Actual Execution

OPEX Actuals YTD vs against Budget YTD for the reporting period.

4.2 Budget Execution

Latest OPEX forecast for the full year against OPEX Budget for the full year.