

Considerations for Grant Cycle 8 (GC8)

53rd Board Meeting

For Input

GF/B53/18

7 – 9 May 2025, Geneva, Switzerland



Pre-read Note:

- *At its **March meeting (SC27)**, the **Strategy Committee (SC)** discussed **preparations for grant cycle 8 (GC8)**, focusing on adaptations and changes that should be implemented regardless of replenishment outcomes.*
- *The discussions **focused on three main areas for strategic engagement** and not the totality of internal work to prepare for GC8.*
- *The **Secretariat continues to prepare for GC8 in **the** context of **considerable uncertainty**** around the overall funding landscape.*
- *The Secretariat is also **operationalizing sustainability-related policies approved at the November 2024 Board** in a highly volatile context which requires flexibility and real-time problem solving. Reporting on specific policies will follow regular governance schedules.*
- *The Secretariat will **complement this presentation with voiceover updates and the latest GC7 context during the Board Meeting.***

Executive Summary

- **Preparations for GC8 are underway.** Most countries will begin funding request development and grant-making at the beginning of 2026. GC8 will be critical to both maintaining and increasing impact and must adapt to unprecedented levels of uncertainty.
- Uncertainty around the funding landscape will impact GC7 grant development and implementation, particularly high burden/lower-income contexts where there is a high dependency on external financing.
- The Global Fund's inclusive approach, **use of country systems and plans, and ability to rapidly adapt will be crucial** to supporting countries and communities in GC7 and GC8.
- The Board's **sustainability decisions will shape implementation** and streamlining grant lifecycle processes and further differentiating support across very different country contexts is required.
- Three main principles guide our preparations for GC8: **strengthening and maintaining impact, advancing sustainability, and optimizing processes.**
- This slide deck provides a summary of the three main areas of **heightened focus in GC8 preparations which were discussed by the SC in March** :
 1. *Right sizing grant processes by focusing on value and efficiency to reduce transaction costs across implementers, CCMs, key stakeholders and the Global Fund;*
 2. *Maximizing investments in our smallest portfolios through differentiating how we operate and what we do; and*
 3. *Maintaining impact in Highest Burden/Lowest Income Portfolios*
- Given the volatile external environment, **considerable flexibility and adaptation will be required** as we launch and support GC8.

Context & considerations in preparing for GC8

- **Global Fund-supported programs are facing multiple crises:** continued gaps in treatment and prevention needs, increasing human rights and gender-related barriers to health services, increasing health impacts of climate events, constrained domestic fiscal space and constrained donor funding.
- **Progress against HIV, TB and malaria remains uneven**
 - **HIV progress is highly uneven** – with good progress in sub-Saharan Africa, but lagging in the rest of the world, and in some countries the number of people acquiring HIV is rising
 - **TB** remains the **world's deadliest infectious disease**
 - **Malaria cases are rising**, with resistance, climate change, and population growth hindering progress.
- For **RSSH**, **Global Fund is the largest multi-lateral funder of health systems** in many of the world's poorest and weakest health systems, with investments that benefit HTM and broader health impact.
- The **overall funding landscape will impact progress** – the results of concurrent GHI replenishments (Global Fund, Gavi, Pandemic Fund etc.) and the results of the U.S. foreign assistance pause and review (impacting PEPFAR, PMI, USAID and key technical partners) will directly impact progress toward the 2030 SDG health targets.
- **GC8 will also coincide with significant new opportunities** such as **the** roll-out of Lenacapavir, collaboration on existing malaria vaccines and new TB vaccines, and significant momentum from RSSH investments in GC6 and GC7, with country-led advancements in integration.
- **Leveraging these opportunities, meeting these challenges and maintaining and strengthening impact will require changes** to optimize, streamline and further differentiate Global Fund support for countries and communities.

Strategy Committee Input.

SC acknowledged that there will be trade-offs on overall risk appetite in some areas, which need further exploration by the Board



Streamlining & Simplification

- **Support:** Recognized the need for simplification and differentiation in the grant lifecycle
- **Complexity:** Noted increased complexity in systems/processes; recommended simplification/removal of unnecessary requirements/ redundancies
- **Ecosystem Changes:** Recognized limited time/resources for implementers; suggested out-of-the-box thinking (e.g., costed extensions)
- **Support:** Emphasized importance of trusting stakeholders and the need for supporting country-driven responses and maintaining agility
- **Alignment:** Noted strong alignment with new Strategy in GC7; highlighted current constraints and need for focus on urgent gaps.



Focused Portfolios & Transition Pathways

- **Support:** Backed proposed changes for streamlining and differentiation; noted accelerated transitions
- **Welcomed** the approach for transition pathways; requested clarity on processes and more consultation



Human Rights, Gender, Communities

- **Concern:** Raised concerns about power shifts and diminished engagement of key populations and communities, streamlining cannot miss key areas
- **Inclusion:** Noted struggles of key populations to be included in processes; supported by recent evaluations
- **Importance:** Reiterated the need for mechanisms to provide direct community support and financing



Sustainability & Co-financing

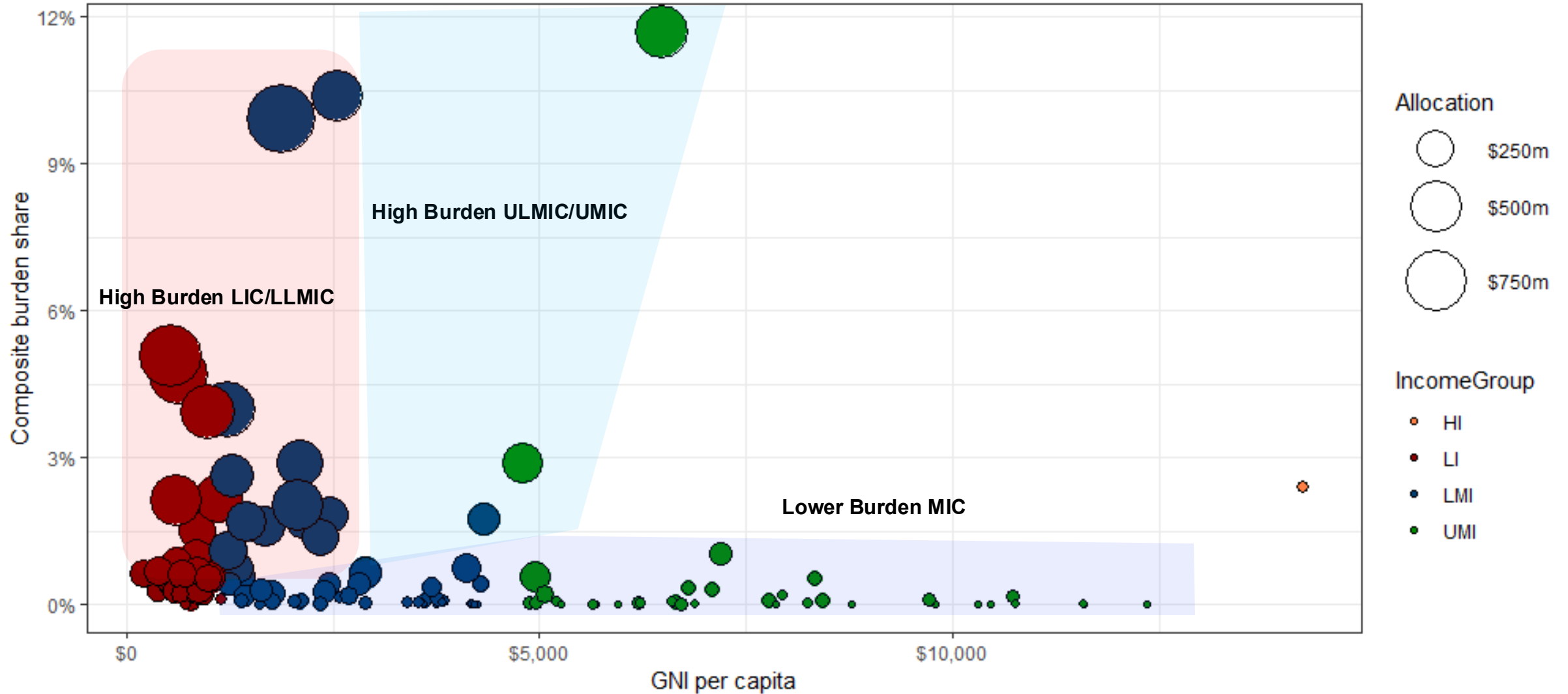
- **Fiscal Capacities:** Noted the need for contextualized fiscal capacities and alignment in public financial management
- **Role of Global Fund:** Highlighted the critical role of the Global Fund in supporting key and vulnerable populations



Market Shaping

- **Market Shaping:** Emphasized the importance of Next Gen market shaping and pooled procurement mechanisms
- **Domestic Procurement:** Raised the need for discussions on challenges with domestic funds procurement on wambo.org

The Global Fund Portfolio is highly diverse



Composite burden share weighted by the GC7 Global Disease Split

Differentiation | Global Fund provides differentiated support, varying across the continuum

LICs	Lower-LMICs	Upper-LMICs	UMICs
<p>Greater GF contribution to national responses e.g., investment support focused on essential HTM programming and systems (incl. community) to deliver services</p>	<p>Significant contribution to national responses, yet expectation of systematic financing of programmatic interventions including commodities, HRH, program management</p>	<p>Decreasing contribution to national responses shifting to strategic investment on critical bottlenecks / barriers to decreasing incidence & achieving elimination (malaria)</p>	<p>Decreased contribution to national responses, greater shifting to strategic investment on critical bottlenecks / barriers to decreasing incidence & achieving elimination (malaria), focus on longer-term sustainability challenges</p>
<p>Greater ability to affect trajectory of epidemics within national dialogue</p>	<p>Significant ability to affect trajectory of epidemics within national dialogue</p>	<p>Less ability to affect trajectory of epidemics within national dialogue</p>	<p>Ability to affect trajectory of epidemics within national dialogue variable and in some contexts limited, challenges around political willingness, however opportunity to focus strategically on few areas</p>
<p>Overall dependency very high on GF resources</p>	<p>Overall high dependency on GF resources</p>	<p>Overall lower dependency on GF resources; mostly focused on specific areas</p>	<p>Disease spending levels are driven by domestic resources, with overall dependency on GF very focused on few, specific areas</p>

Evidence | Our GC8 operational approach is based on evidence, lessons learned, and 20+ years of implementation

Country Stakeholder Feedback

Independent Evaluations

OIG Advisories & Audits

Secretariat Insight

*Incorporating this learning into **how** we prepare for GC8*

“ *Significant progress has been made to enhance Principal Recipient reporting efficiency and visibility. However, with increased reporting, there are **risks of duplication, reporting fatigue and delays** that potentially divert attention from in-country grant implementation oversight and coordination. – OIG, Approach to Grant Monitoring*

“ *...there has been lots of feedback from Secretariat colleagues in the standard processes being burdensome as **Country Teams are smaller, and from countries, where lengthy and bureaucratic processes are not viewed as effective** given the smaller levels of funding. –SR2023*

“ *The Global Fund has continuously adapted its structure and resourcing model to align with strategy requirements. There is a **need to further optimize the deployment of human resources, simplify internal processes and integrate operations** with other global health partners. –OIG, Audit of the Effectiveness of the Global Fund Model in Delivering the Strategy*

“ *However, despite **best intentions to differentiate and simplify FR/GM processes, the volume of information requirements**, guidance, inputs, and approvals that have evolved in relation to the different steps are often perceived by stakeholders interviewed as complex and unwieldy, compromising the effectiveness of FR/GM processes. –FR/GM Evaluation*

Principles | Three principles driving GC8 preparation

Strengthen & Maintain Impact

Maintaining essential and most impactful interventions

Advance Sustainability

Focusing on sustainability and transition across the portfolio to maximize GC8 allocations



Optimize, Integrate & Streamline Processes

Maximizing time, effort, resources towards implementation which requires changes to “how” we operate and trade-offs in availability of information – in lower funding scenario more radical differentiation will be needed

“Business as Usual” is not an option

Areas of Focus | Within this context and building from these principles, 3 areas of focus in preliminary GC8 preparation



Right-sizing grant lifecycle (GLC) processes

Streamlining processes by optimizing for country systems, value and efficiency to reduce transaction costs of implementers and GF



Differentiating our approach for Focused portfolios, defining transition pathways

Maximizing investments in smallest portfolios and preparing for & executing responsible transition away from country allocations



Maintaining impact in Highest Burden/Lowest Income Portfolios

Focusing on prioritization within grant design, co-financing, value for money

Right-sizing Grant lifecycle Processes | Summary

Context: The FR/GM process requires significant effort every three years despite 85% of grants and 93% of PRs continuing from the previous cycle and building on National Strategic Plans spanning 5 years.

- GF grant processes have become **burdensome**, diverting resources from programs.
- **Grant design takes about a year**, major changes require significant effort, and implementer reporting is overly demanding.
- **Change is needed regardless of replenishment scenarios** - recent evaluations and OIG audits support this finding.



Continuous improvement is on-going and not linked to new grant cycles .

We are **reducing the burden** on countries by:

- Streamlining processes
- Maintaining focus on critical areas
- Increasing flexibility
- Enhancing community engagement
- Reducing routine grant management tasks

Streamlining and differentiation is needed at all stages of the grant lifecycle, including review processes

Differentiating Focused Portfolios| Summary

Context: In a context of decreased resources will need increased prioritization and focus to maximize returns on investments and ensure GLC processes are right-sized. This will require trade-offs and increased risk appetite. Transition pathways may be accelerated in lower replenishment scenarios.

- Even in **flat funding scenarios**, Focused Portfolios are **projected to decrease by approximately 15-30%** due to changes in the allocation methodology
- Reduced allocations will have programmatic impact, **greater prioritization and focus** is needed
- **Significant streamlining needed**, which will result in decreased availability of information



- In reduced scenarios, we will need to minimize negative impact and maximize sustainability within limited funding.
- Preparing Focused portfolios for transition from country allocations, will vary by context/region both in the 'what' and 'how'
- We need to focus on fewer interventions to catalyze outcomes which will mean trade-offs across the GLC and need to ensure both internal and external (i.e., TRP) review processes are right-sized

In context of significant reductions for Focused portfolios we will need *radical differentiation* across the GLC and accept increased risk appetite.

High Burden/Low-income Portfolios | Summary

Context: Changes in the allocation methodology will further prioritize funding for high burden/lower income portfolios, however these portfolios are the most sensitive to the external financing context and will require adaptations

- We need **to adapt and prioritize and leverage country expertise** – including at the community level - to address challenges
- There is a need for **increased focus on sustainability and further optimization** of how resources are allocated to end HTM and strengthen health systems
- **Identifying efficiencies** in major cost drivers in a rapidly changing context will be a critical part of GC8 planning and negotiations in co-financing

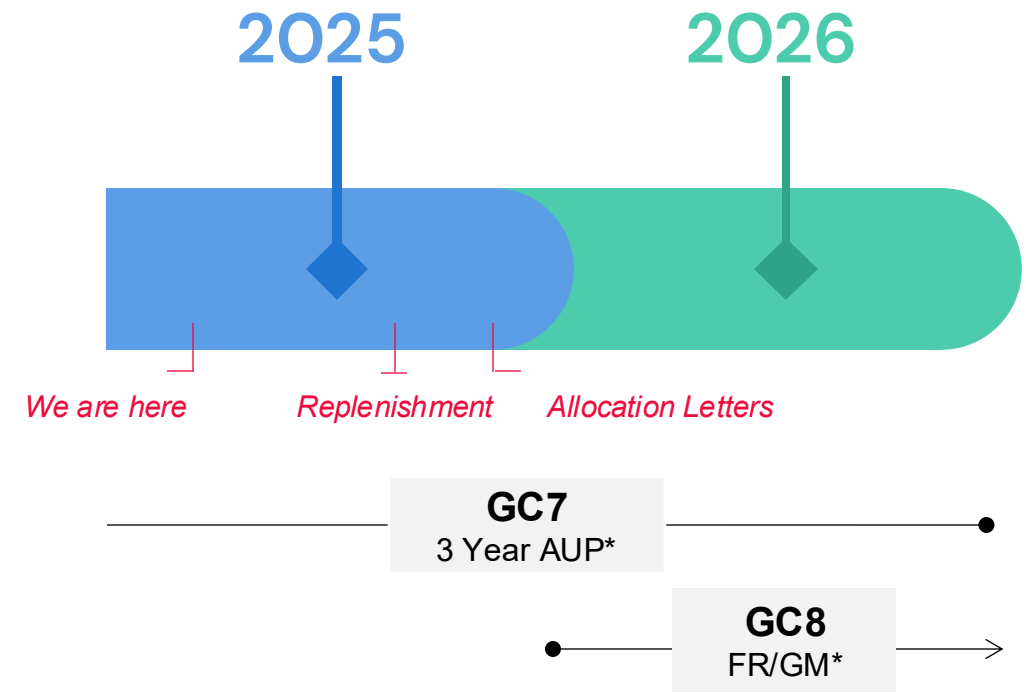


- In reduced scenarios, countries will need **to protect funding for life saving services**
- **Continued leveraging of NextGen Market Shaping** to reduce commodity costs and introduce more effective new products and innovations
- **Stay agile and adapt** to the evolving partnership landscape and health infrastructure with real-time problem-solving and adjustments.

Maintaining lives saved and impact within funding constraints

Next Steps | Preparations require flexibility and scalability in a rapidly changing context and changes in GC7 will have implications on GC8

- **Preserve and accelerate progress** in the highest burden and lowest income countries
- **Support countries in self-reliance**, while focusing on investments that maintain gains
- **Pursue radical differentiation across the portfolio** and at all points in the grant lifecycle so countries can focus on implementation
- **Accelerate opportunities to maintain momentum from GC7** with innovations in the pipeline, country-led integration and evidence-based shifts in RSSH



*approximately 70% of the portfolio follows this timeline