Update on GC7 Country Funding, Additional Safeguard Policy and Catalytic Investment Operationalization and SI Performance

55th Board Meeting
9 – 10 July 2026, Geneva, Switzerland
GF/B55/16
For Information

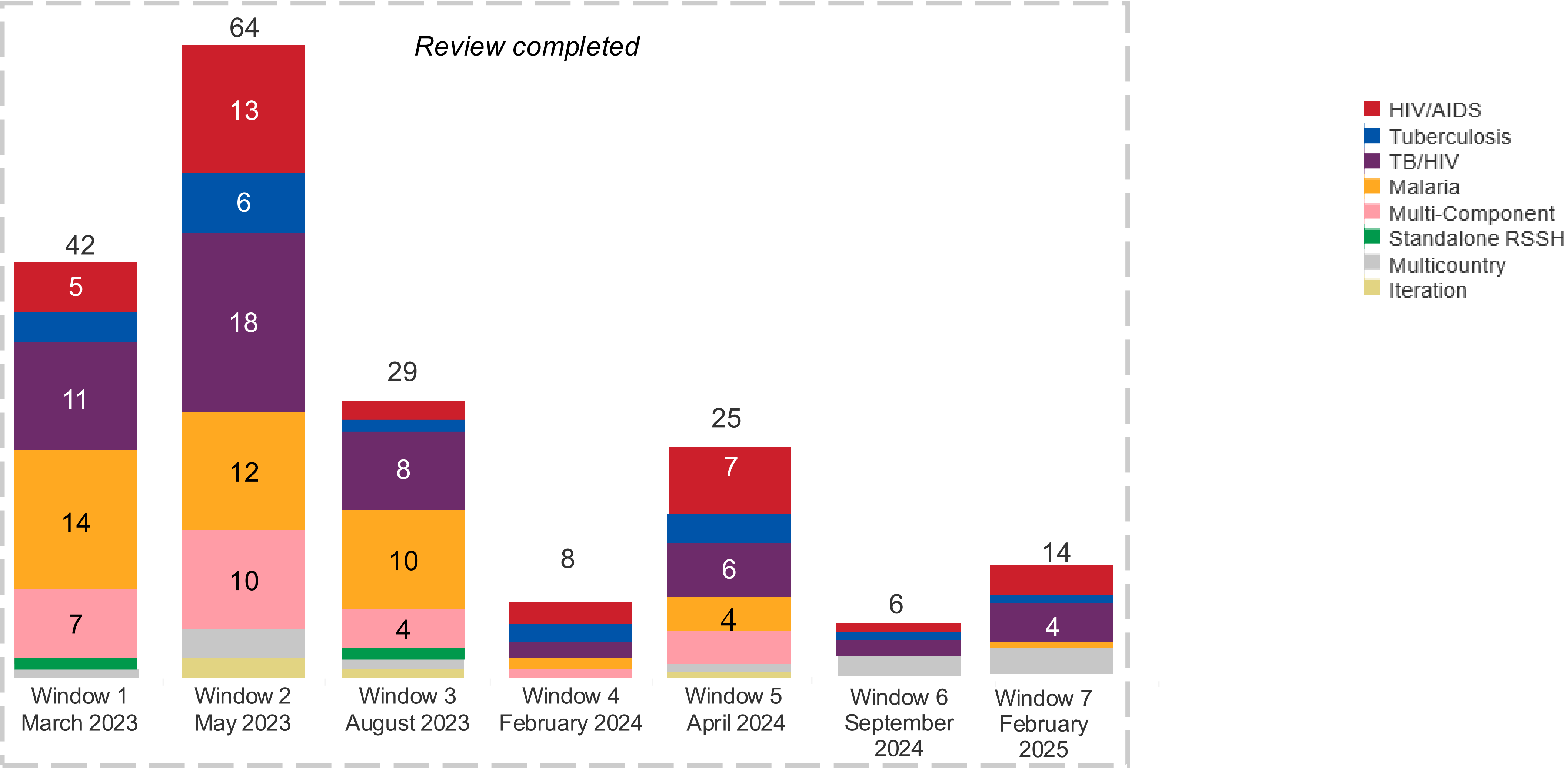
Update on GC7 Country Funding

Executive Summary: GC7 Country Funding

- 97% of Funding Requests reviewed in Windows 1 to 7 were recommended for grant-making on first review.
- 262 allocation-funded and catalytic multicountry-funded GC7 grants have been Board-approved for GC7.
- 99% of US$13.128B in GC7 allocation funding has been Board-approved.
- US$1 billion of GC7 UQD has been funded, primarily through savings and efficiencies in grant-making. US$5.7 billion remains unfunded.

Funding Request Registrations by TRP Window

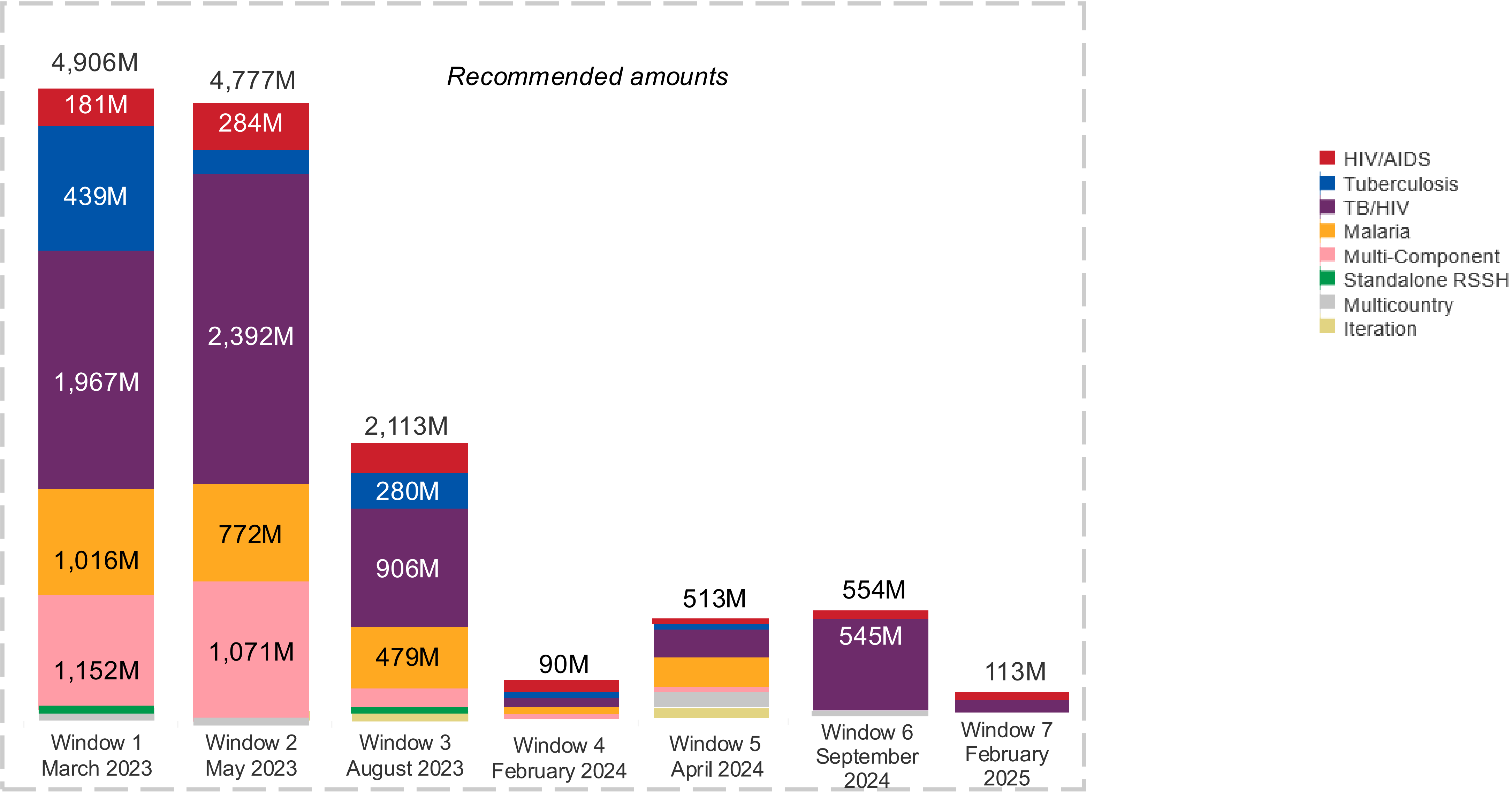
183 out of 188 Funding Requests reviewed in Windows 1 to 7 were recommended for grant-making on first review, representing a 3% iteration rate for GC7.



THE GLOBAL FUND Source: GOS as of April 2026

Allocation Amount by TRP Window

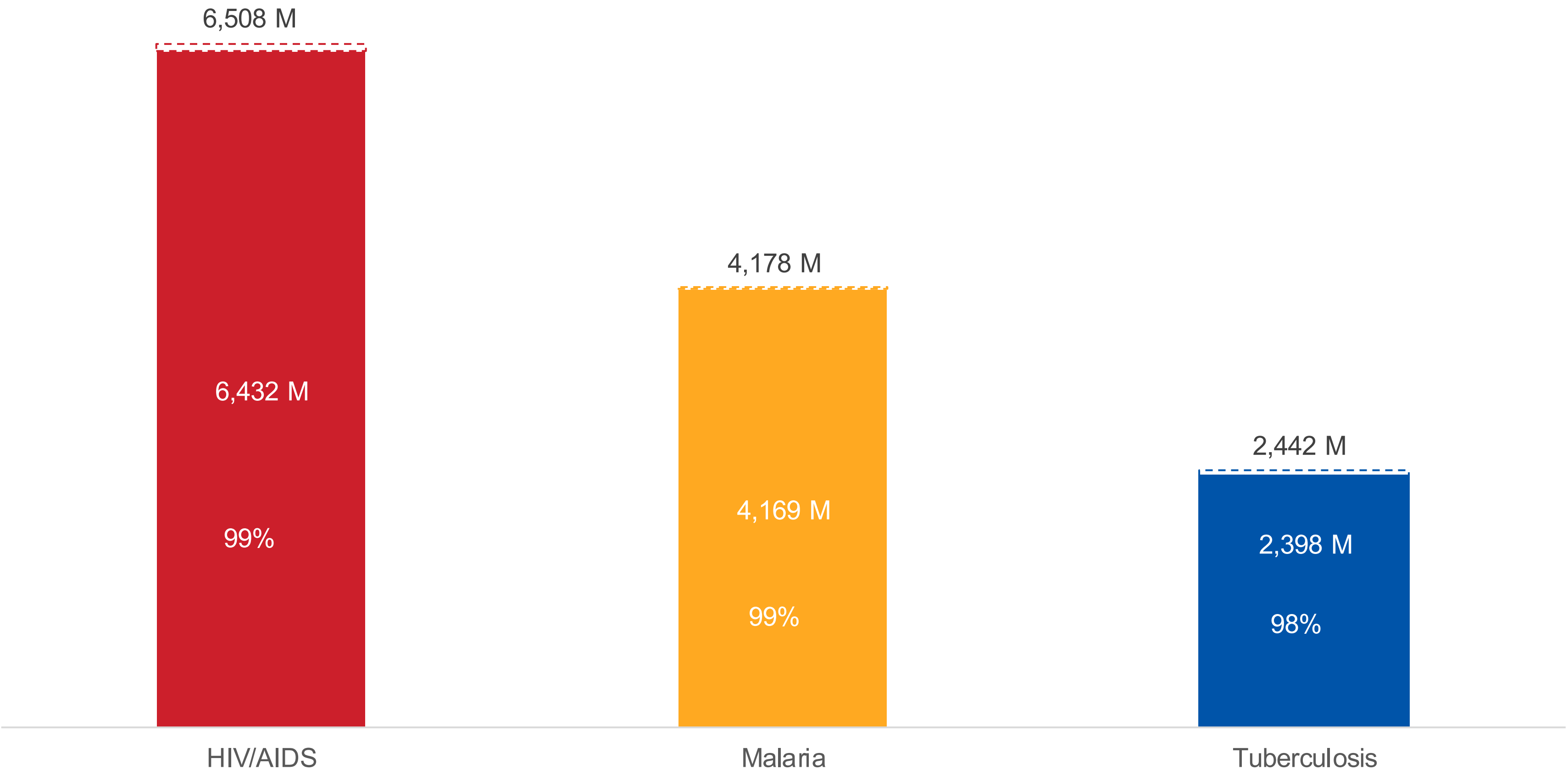
In Windows 1 to 7, US$13.07 billion (99.6% of the total GC7 allocation) was recommended for grant-making.



Source: GOS as of April 2026. All amounts in US$
Note: Approximately US$ 60 million was not TRP reviewed owing to one applicant not accessing the allocation, three end-date revisions and two recoveries communicated before the FR submission.

Allocation funding

US$13.128 billion is available for country allocations, of which US$12.99 billion (99%) is now integrated into Board-approved grants.

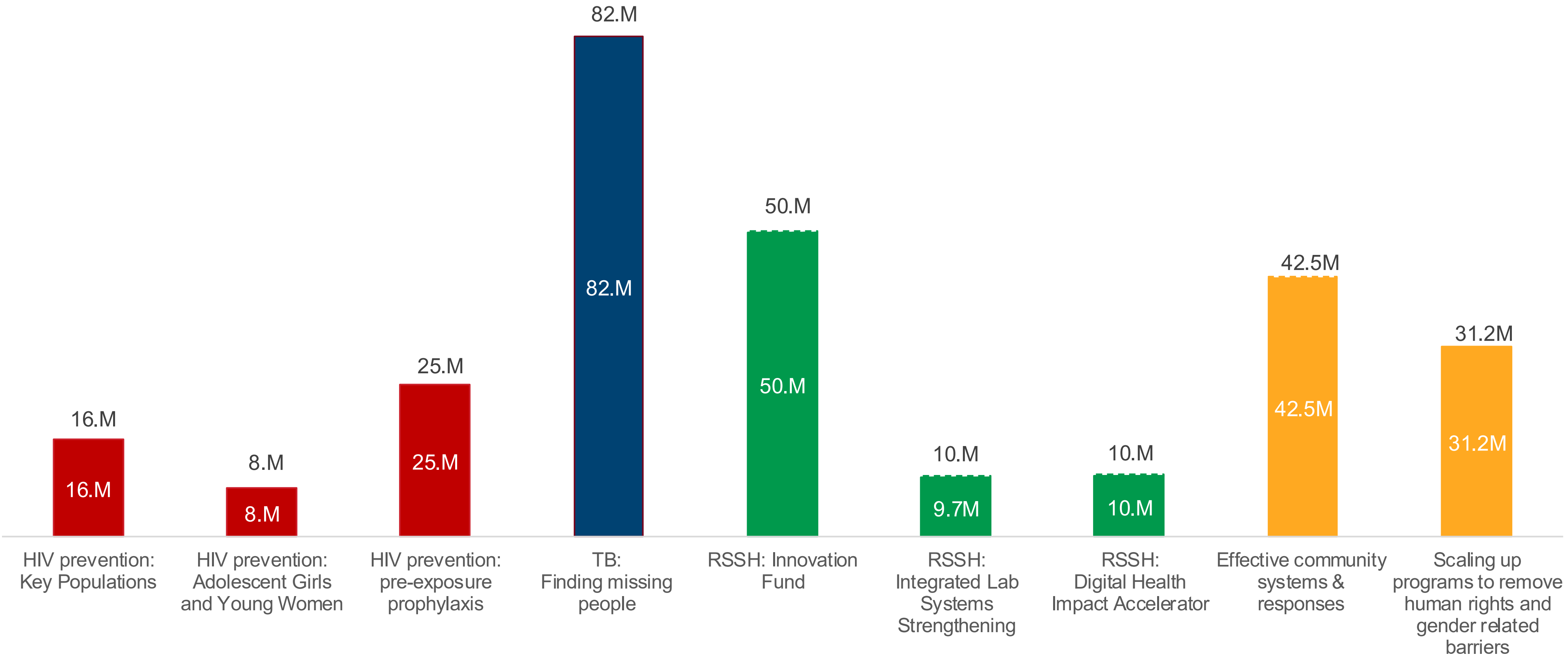


All amounts in US$. For multi-component grants, amounts are split between diseases on the basis of program split. Since available funding per component may shift due to program split adjustments, grant amounts within component are not expected to sum to 100%.

Note: The full allocation will not be accessed by the end of 2025 for the following reasons: grants approved since July 2025 have accessed a reduced allocation, one applicant did not access their allocation funds, and some funds have been reduced by recoveries.

Matching Funds

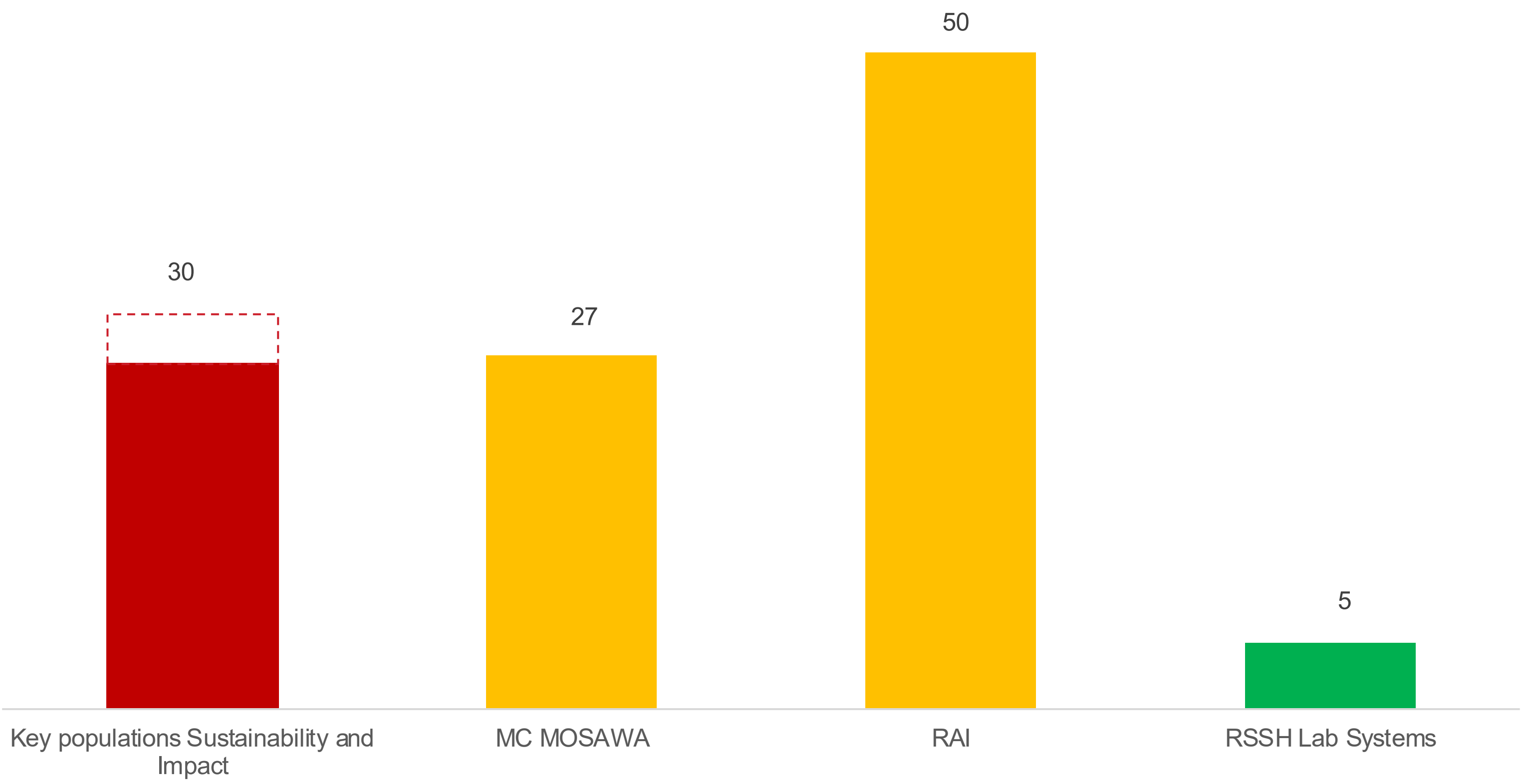
Of US$274.7 million designated for Matching Funds, US$274.4 million (99%) is now integrated into Board-approved grants in GC7.



Notes: One applicant voluntarily did not access US$320K of their Matching Funds under RSSH: Integrated Lab Systems Strengthening. In September. 2025, GAC approved the shift of this amount to the Integrated Lab Systems Strengthening SI, within the same priority area.
Dotted lines indicate designated funds. Solid color indicates the amount Board-approved. All amounts are in US$ millions.
Source: GOS as of April 2026

Multicountry Funds

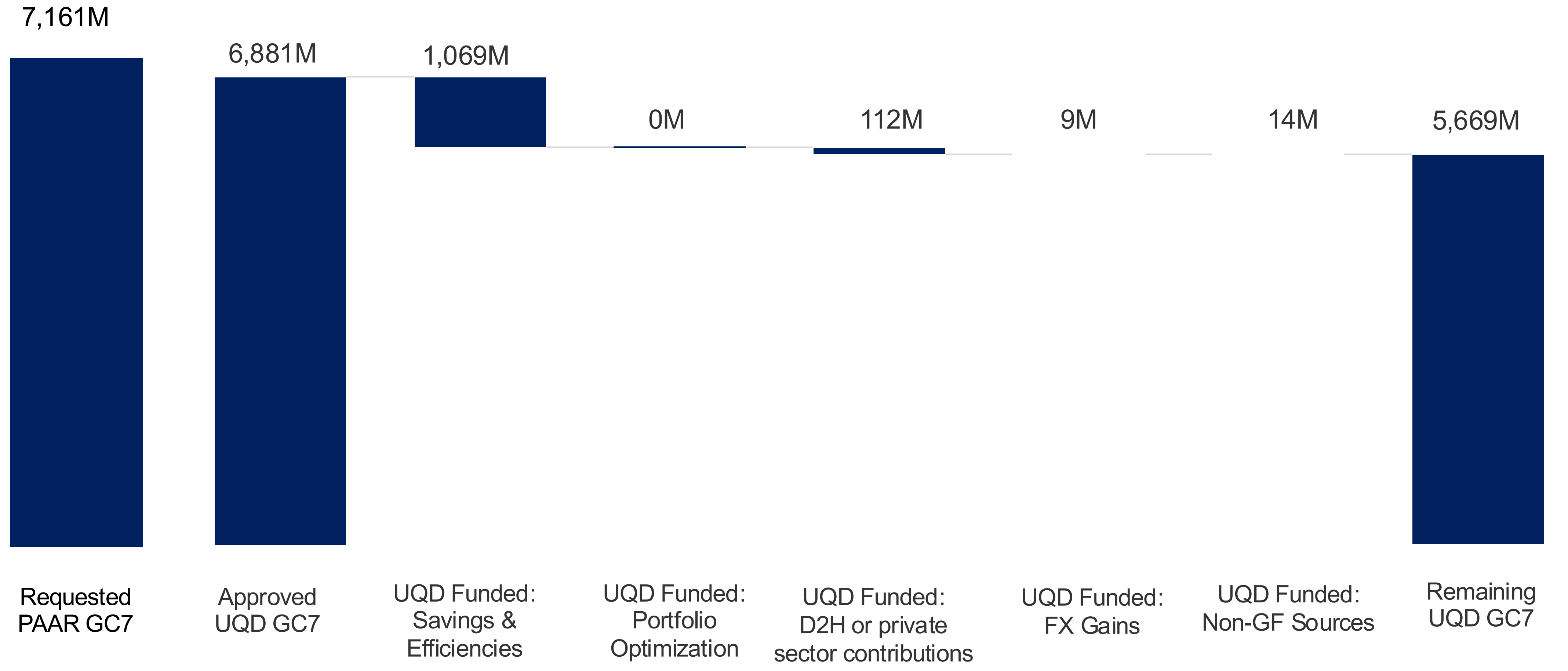
Of the US$112 million designated for catalytic Multicountry Funds, US$108.3 million (97%) was integrated into Board-approved grants in GC7.



Notes: MOSASWA upper ceiling was corrected from US$25M to US$27M for GC7. The MC designated amount is consequently adjusted to US$112M.
Grants approved since July 2025 have accessed a reduced allocation. The amount available for Key Populations Sustainability and Impact was reduced by US$ 3.7M
Dotted lines indicate designated funds. Solid color indicates the amount Board-approved. All amounts are in US$ millions.
Source: GOS as of April 2026

GC7 Unfunded Quality Demand

For GC7, TRP recommended **US$6.88 billion** as UQD, of which more than US$1 billion has been funded by savings and efficiencies in grant-making. US$5.7 billion remains on the UQD Register.



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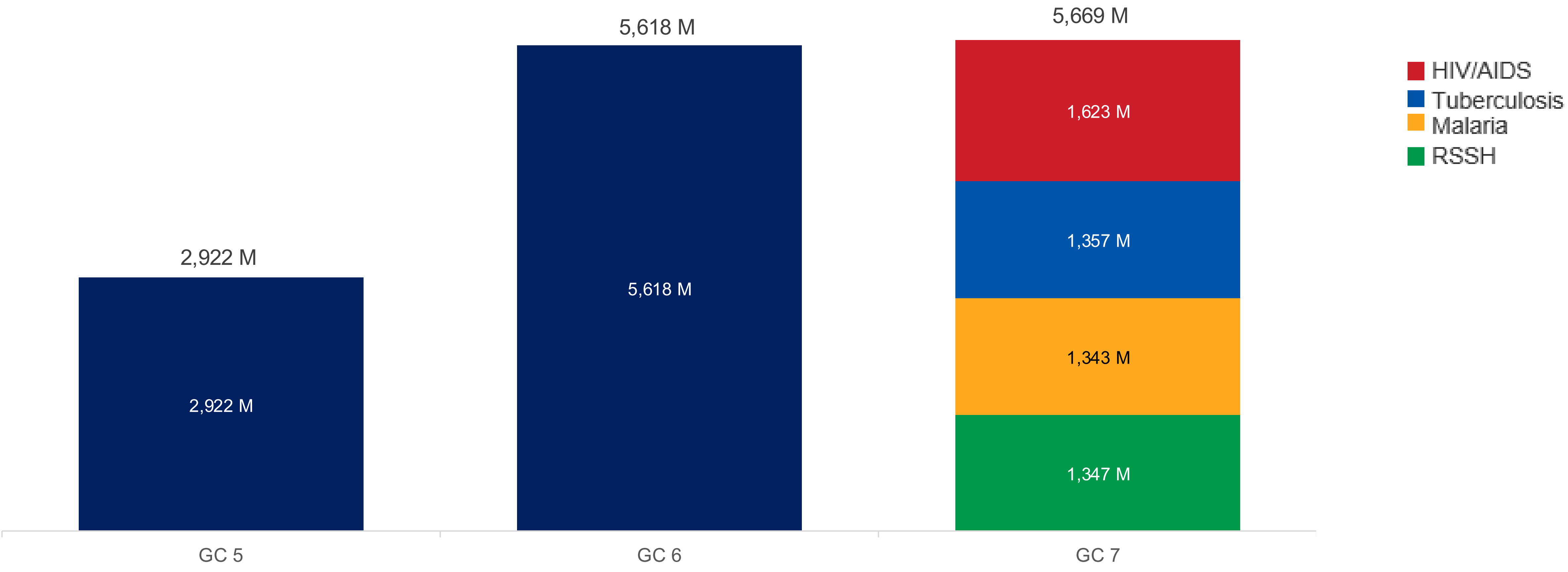
Source: GOS as of April 2026. All amounts in US$.

Unfunded Quality Demand Comparison GC5 to GC7

The Remaining UQD in GC7 is higher than it was in GC6 or GC5 at the corresponding period in the allocation cycle and remains relatively evenly split between the three disease components and RSSH.



 Source: GOS as of April 2026. All amounts in US$.

THE GLOBAL FUND

Update on Additional Safeguard Policy

Executive Summary: Additional Safeguard Policy (ASP)

- As part of a comprehensive review of the Additional Safeguard Policy (ASP), the Secretariat reassessed the rationale to retain ASP in each of the ASP country portfolios, and established exit criteria which included country specific milestones for assessing progress towards ASP revocation. This was fully completed in 2025 and was conducted in consultation with in-country stakeholders where the country context allowed. This exercise identified a small number of countries as **potential candidates for ASP revocation in advance of GC8**.
- In February 2026, the Global Fund approved **ASP revocation for the Djibouti portfolio**, and informed the country prior to receipt of their GC8 Allocation Letter.
- **Two additional countries** with off cycle GC7 timelines will be considered for revocation during 2027, prior to their GC8 start dates

Additional Safeguard Policy (ASP)

Key points to note

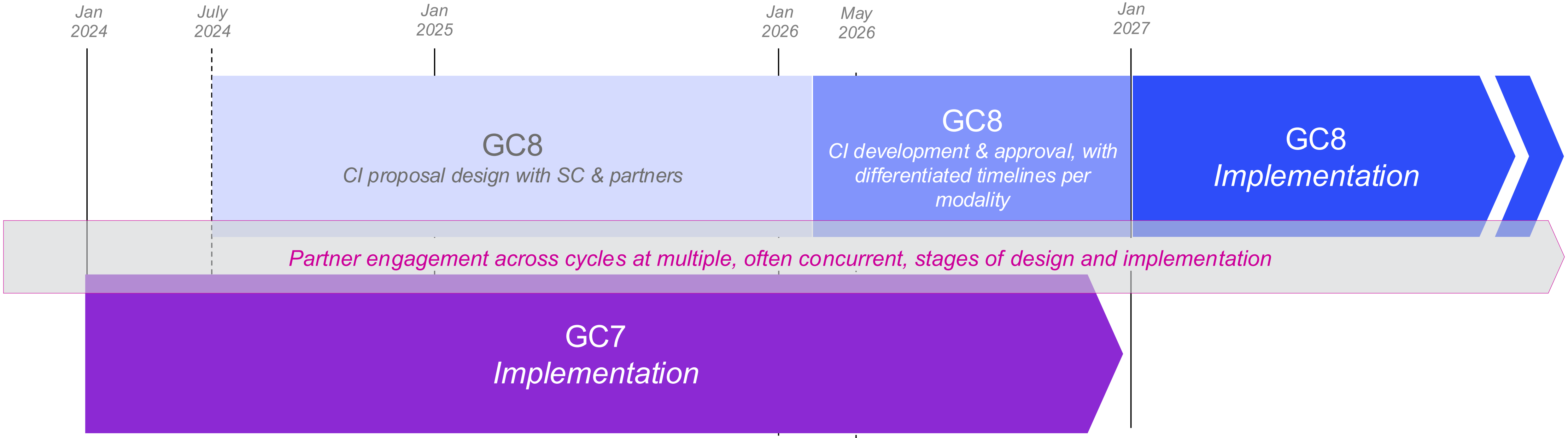
- The Global Fund Board approved **ASP** was approved on 19 March 2004, decision linked here.
- The **ASP** is a critical tool which is applied as a **last resort** in instances where the portfolio and/or disease-specific risks warrant the Secretariat to take a primary role in determining the implementation arrangements for a given portfolio in times of crisis. ASP can be invoked for an entire portfolio of grants in a particular country, or for a specific disease component.
- Under **ASP**, the Global Fund **may select** a program's PRs, SRs, and other implementing entities; nominations for PRs **may be** made directly by the Global Fund, in consultation with the CCM and other partners.
- **ASP** safeguards **can be complemented** by other financial and / or programmatic risk mitigating measures, e.g., fiduciary/fiscal agents, ex-ante expenditure validation, restricted cash policy and/or use of the pooled procurement mechanism.
- Since its inception, the Global Fund has invoked **ASP** for 32 countries, and revoked ASP for four (4) countries. **As of May 2026, 28 countries are under ASP**.
- In October 2024, the Office of Inspector General (OIG) published an advisory report on **ASP.** In parallel, the Secretariat reassessed the rationale to retain ASP in each of the ASP country portfolios, and established exit criteria which included country specific milestones for assessing progress towards ASP revocation. This was fully completed in 2025 and was conducted in consultation with in-country stakeholders where the country context allowed.
- Through 2026, the Secretariat continues to deliver prioritized recommendations to improve how the Global Fund applies and implements **ASP.**

Update on Catalytic Investment Operationalization and GC7 SI Performance

Executive Summary

- This update presents (1) the status of early **GC8 CI operationalization**, following Board approval of CI priorities and amounts in February 2026; and (2) **GC7 SI financial and programmatic performance** as of December 31, 2025 (two years of implementation), aligned with standard semesterly SI reporting timelines.
- In Q1 2026, GAC approved GC8 CI implementation modalities - Matching Funds, Strategic Initiatives, and Multicountry Grants. While GC8 operationalization is grounded in existing modalities, it offers the opportunity to apply them in more innovative ways and **enable new ways of working under GC8**.
- Initial GC8 CI operationalization is on track. Timelines differ by modality, with key milestones sequenced throughout 2026.
- By December 2025, SI fund utilization reached 31%, with **74% utilization of funding budgeted for the period**. Overall financial utilization is calculated inclusive of significant mid-cycle private sector contributions, which reduce aggregate utilization figures. The total level of **funding committed through existing agreements was 76%** by December, reflecting **strong implementation against mid-cycle SI budgets**.
- SIs reached **73% target achievement against programmatic Results Frameworks** in Semester 4 (June – December 2025), reflective of implementation progress and aligned with financial performance for the period.

With GC7 ongoing, current update focuses on SI-specific performance through December 2025, and *early* GC8 CI operationalization



✓ *Early update (at May 2026) on GC8 CI operationalization, following Board approval of CI priorities and Amounts in February 2026*

✓ *SI-specific reporting on performance up to December 30, 2025*

CI operationalization for GC8 is underway*, with key milestones over the remainder of 2026 and beyond

	Matching Funds *Timelines aligned with GC8 grants*	*Strategic Initiatives* *Standard GC8 implementation period of Jan. 2027 to Dec. 2029*	*Multicountry Grants* *Differentiated timelines, coordinated with current MC implementation periods*
Q1 2026	CI implementation modalities **approved** by GAC		
	Engagement with Partners on CIs **ongoing** through Situation Rooms and other fora		
	Available Matching Fund amounts **included** in Allocation Letters and associated conditions published online External information session **completed**	SI design **launched** (development of detailed investment plan, inclusive of “capacity to scale”, SI budget and results framework)	Catalytic resources for RAI MC **included** in Allocation Letter, for planned grant start in 2027
Q2-Q4 2026	Matching Fund Guidance **published** TRP & GAC reviews (inclusive of Matching Funds) **planned**	SI TRP review **planned** SI GAC approval **planned** (Q4)	RAI grant making and approval **planned**
2027 & beyond	Integration into grants (based on grant-specific start dates) and ongoing implementation & monitoring	SI implementation launches	For all other MCs, engagement on review approaches, in-country dialogue and GAC approval **planned**, in line with differentiated MC timelines GC8 MC grants (excluding RAI) begin in **2028-2029**

*Update as of May 2026.

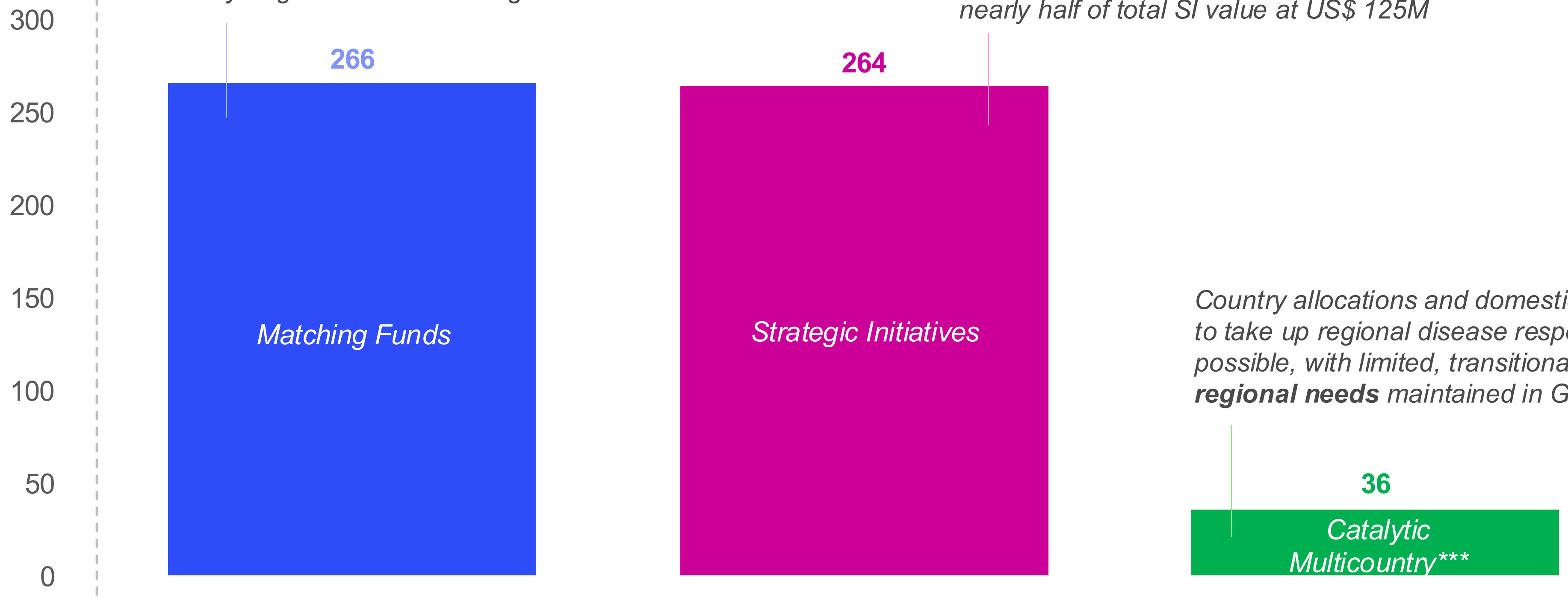
GAC approved GC8 CI modalities in February 2026*, maximizing options for flexibility and innovation within existing modalities

Use all modalities to reinforce the GC8 strategic shifts and maximize sustainable impact for countries

*Sustaining strong focus on Matching Funds to **incentivize investment** in key priorities, directly through grants. Tailored Matching requirements** developed to maximize impact within resource constraints, and additional efforts to drive synergies across Matching Funds*

*SI modality used to structure **diverse investments, beyond traditional TA provision** – including innovative financing mechanisms, regional initiatives and direct support to communities, with the NextGen priority accounting for nearly half of total SI value at US$ 125M*

*Country allocations and domestic resources prioritized to take up regional disease responses wherever possible, with limited, transitional funding for **critical regional needs** maintained in GC8*

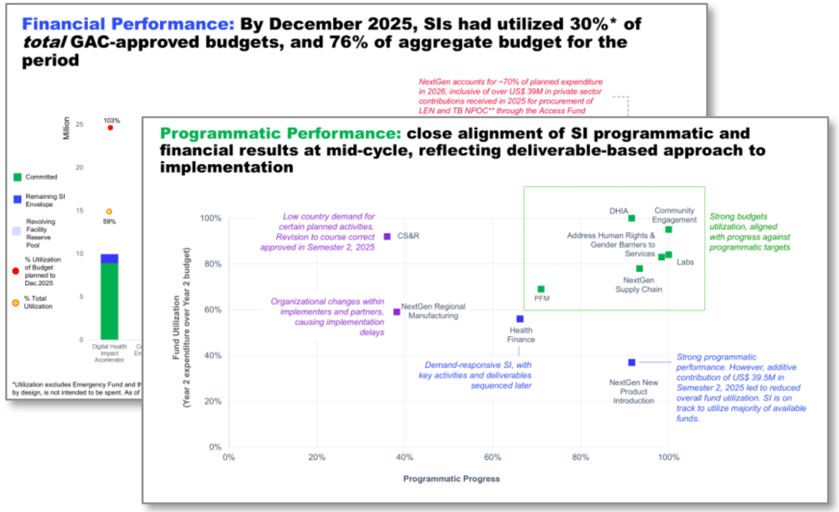


GC8 CI Implementation Modalities

*Full details in annex. Amounts reflected do not include $121.2M of unassigned earmarked contributions, all or some of which may be invested in catalytic investments, subject to final donor confirmation. Private sector pledges remain notional until conversion. **Matching requirements range from traditional 1:1 match to 1:.5 and 1:.25 matches, recognizing constraints on country allocations and layering impact of multiple MFs in some countries ***Amount includes for US$ 16M in private sector resources contributed to the 8th Replenishment and allocated to GC7 (2026-2028) MOSASWA MC grant.

Recall, monitoring and reporting is differentiated by CI modality

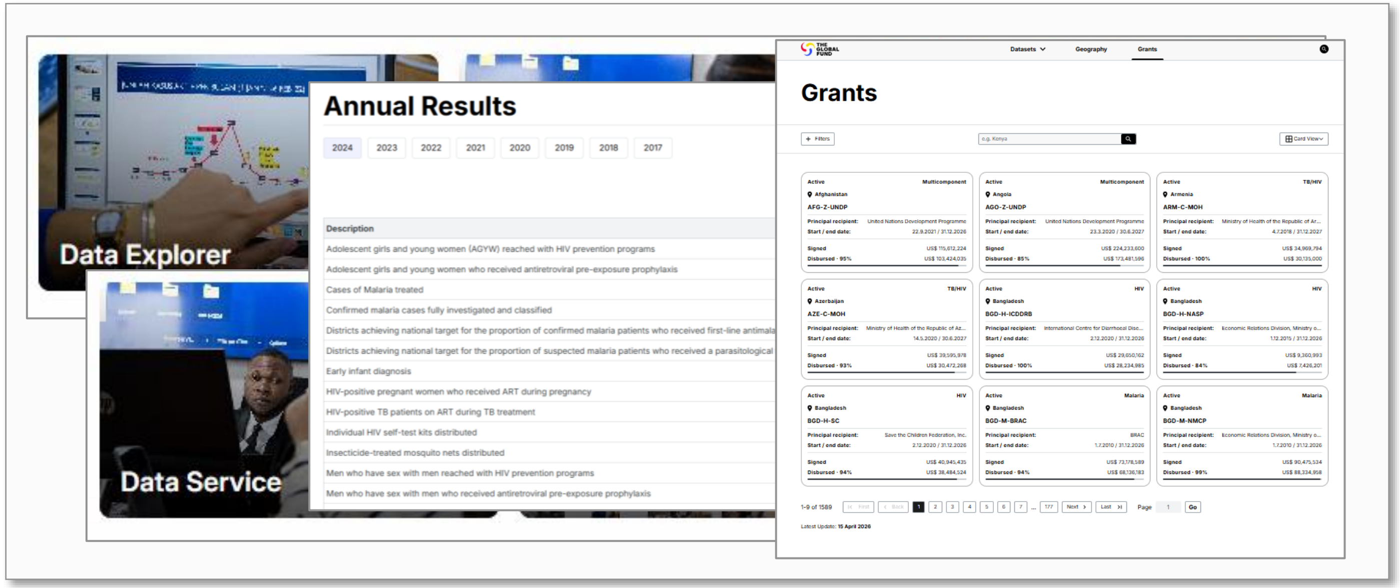
Strategic Initiatives



Tailored, SI-specific reporting (possible because of centrally-managed nature of investments). Performance reported to SC every 6 months, and aggregated end term reporting

Multicountry

Matching Funds



Grant-level reporting, available by year on the Global Fund website

SI-specific achievement captured through *tailored SI Results Framework;* and reporting against *SI budget*

MC results captured in standard *grant performance framework*,* with reporting against *MC budget*

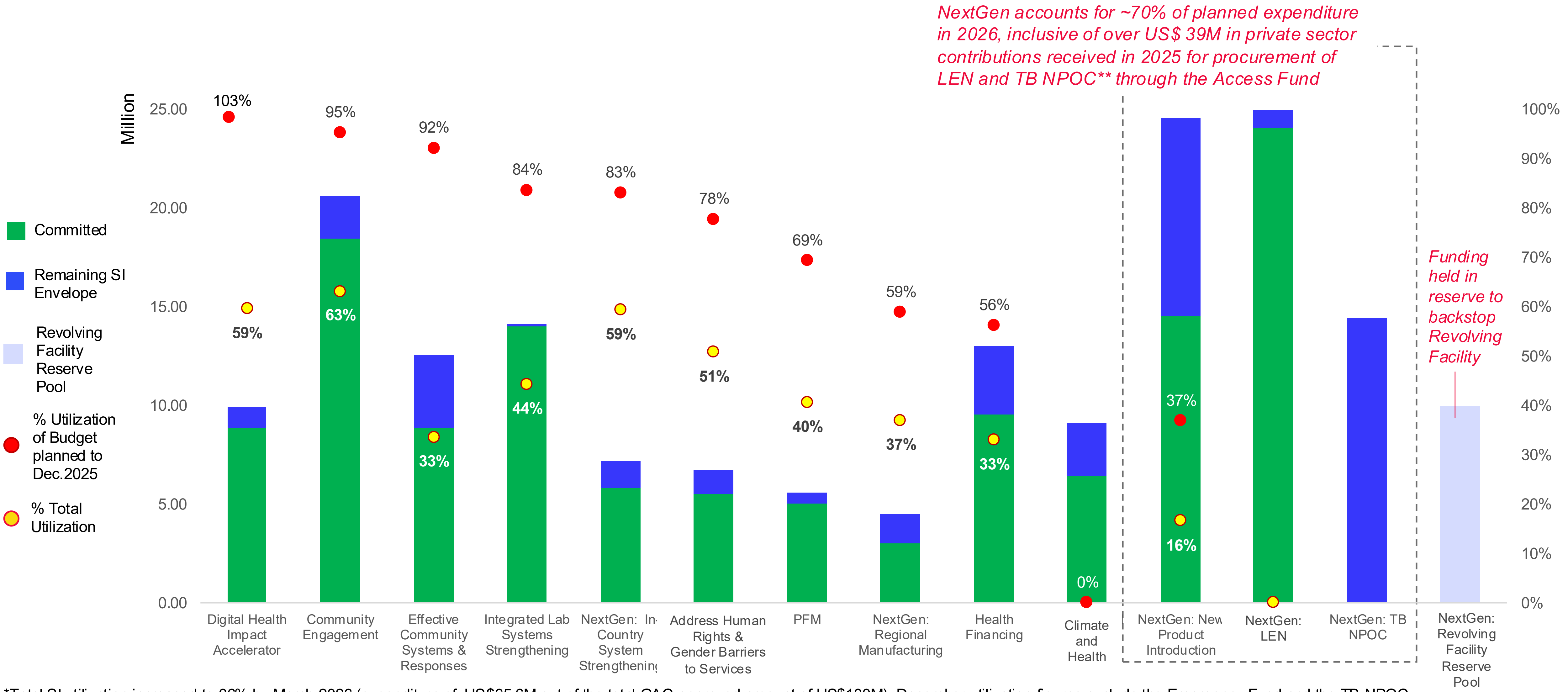
- MF contributes to ***overall*** grant performance, as captured in *grant performance framework* ;* reporting against *overall grant budget*
- Central tracking of *MF-specific "match"* from country allocations

★ *SC & Board request to increase MF-focused insights in GC8 where possible*

*Relevant grant performance framework requirements are differentiated based on portfolio categories: High Impact, Core and Focused.

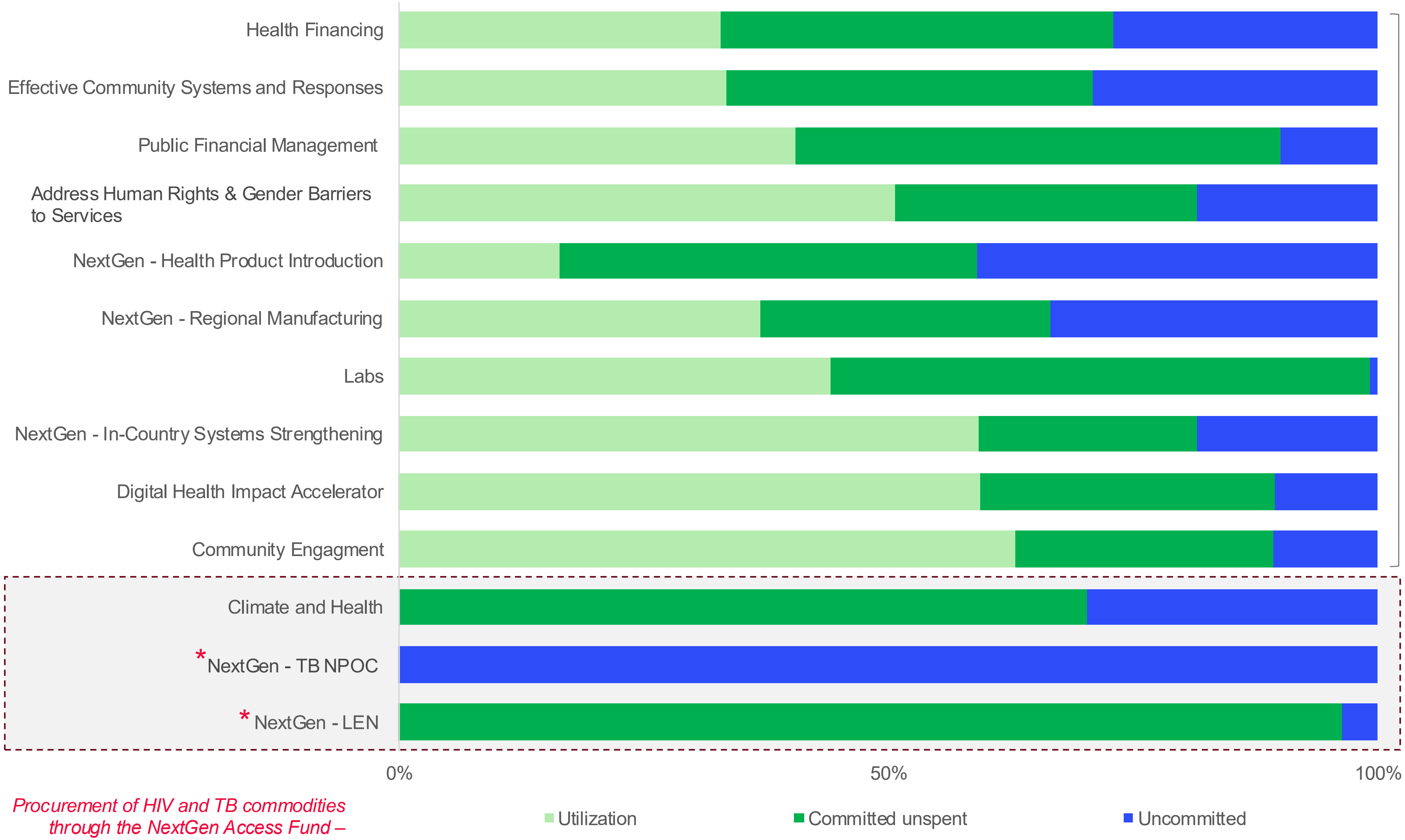
GC7 Strategic Initiative Performance | Semester 4 Reporting

GC7 SI Financial Performance: By December 2025, SIs had utilized 31%* of *total* GAC-approved budgets, and 74% of aggregate budget for the period



*Total SI utilization increased to 36% by March 2026 (expenditure of US$65.6M out of the total GAC-approved amount of US$180M). December utilization figures exclude the Emergency Fund and the TB-NPOC funds (received in November 2025). Utilization **includes** funding allocated to NextGen Revolving Facility Reserve Pool. The Reserve Pool acts as a backstop for the Revolving Facility and by design, is not intended to be spent. As of December 2025, the full Reserve Pool amount was off risk. **TB NPOC planned for commitment and procurement/expenditure in the second half of 2026.

SI fund utilization and commitment levels vary, based on differentiated timing of private sector contributions

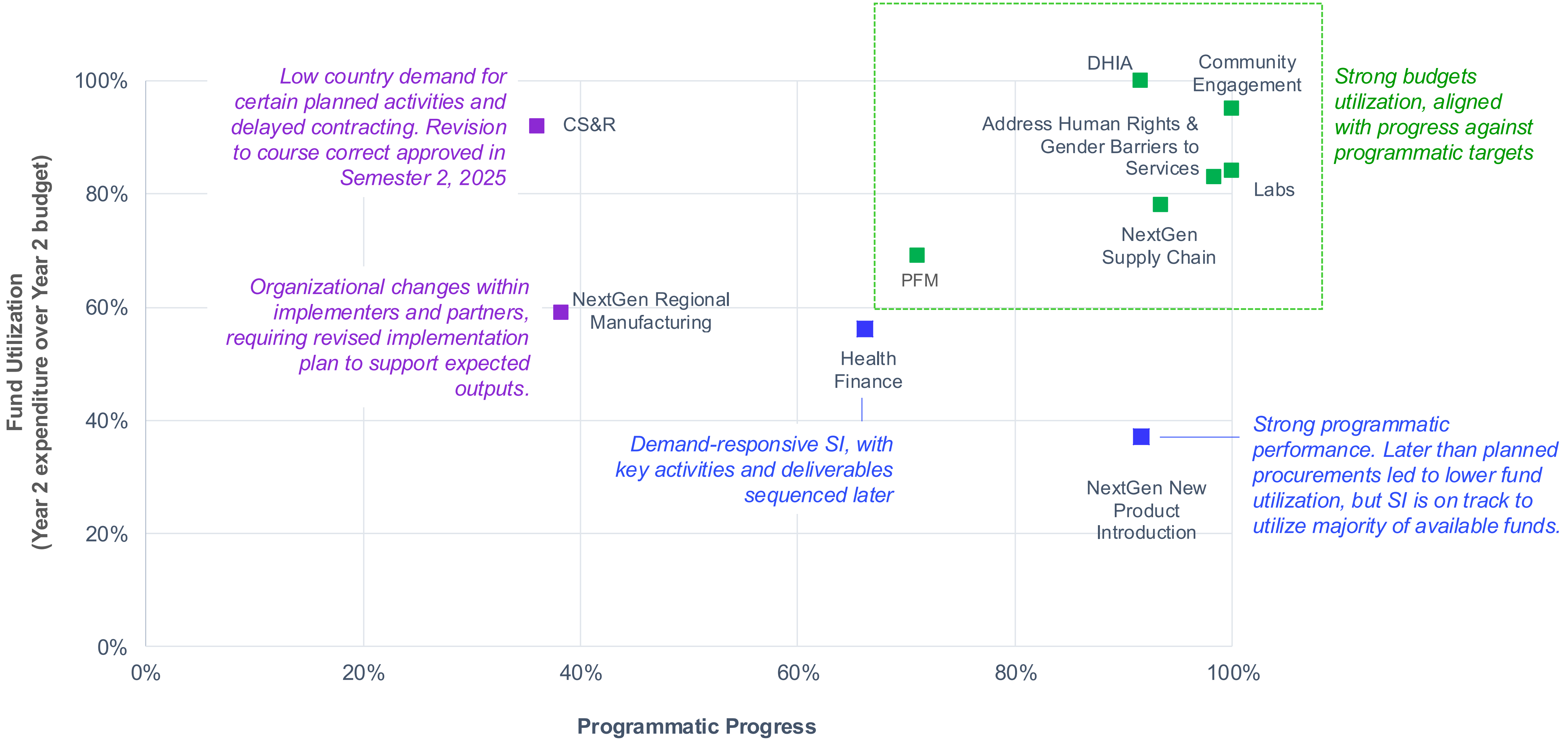


*SIs with majority of total funding available **early** in the cycle. Overall commitments at 79% and fund utilization of 41% by December 2025*

*SIs funded by private sector contributions received in **2025**. By December, aggregate commitment level of 63%, with **all** expenditure planned for 2026*

* *Procurement of HIV and TB commodities through the NextGen Access Fund – timing aligned with country grants*

GC7 SI Programmatic Performance: close alignment of SI programmatic and financial results at mid-cycle, reflecting deliverable-based approach to implementation



Annex | Update on Catalytic Investment Operationalization and GC7 SI Performance

Annex | GAC-approved modalities for GC8 Catalytic Investments

Priority	Strategic Initiative Workstreams	US$ M
NextGen Market Shaping & Response	Accelerate Innovation & Scaled Use of Products	105
	Sustain Healthy Markets and Drive Sustainable, Efficient, Resilient Supply Chains	10
	Promote Sustainable Regional Manufacturing Ecosystems	10
Emergency Fund	Emergency Fund	20
Build Community Networks & Engagement to enable access to services	Community Engagement, Responses & System Strengthening	32
	Rapid Community Protection Fund	5
Supporting Sustainability and Transition from Global Fund Financing	Responsible Preparation for Sustainability & Transition	6
	Public Financial Management	12*
Optimizing RSSH	Laboratory Systems Strengthening	25
	Collaborative Surveillance	5
	Digital Solutions Supporting Integration	3.5*
	Integrated Community & Health Services for Women & Children	13*
	Sustainable Integrated Service Delivery	2
Address Human Rights & Gender Barriers to Services	Address Human Rights & Gender Barriers to Services	10.6
Climate and Health	Climate and Health	5
	Total	**264**

Priority	Matching Funds	US$ M
Supporting Sustainability and Transition from Global Fund Financing	Public Financial Management	38
Optimizing RSSH	Expanding Social Contracting to Sustain Services	10
	Digital Solutions Supporting Integration	22.5
	Integrated HIV Prevention	55
	Integrated Community & Health Services for Women & Children	106
Address Human Rights & Gender Barriers to Services	Address Human Rights & Gender Barriers to Services	34
	Total	**266**

Priority	Catalytic Multicountry	US$ M
Build Community Networks & Engagement to enable access to services	Regional investments in HIV service delivery innovations for those most at risk	6
Supporting Sustainability & Transition from Global Fund Financing	Cross-border Progress Toward Malaria Elimination in Southern Africa (MOSASWA)	20**
	Eliminating Malaria in the Mekong Region (RAI)	10
	Total	**36**

Note: Amounts reflected do not include $121.2M of unassigned earmarked contributions, all or some of which may be invested in catalytic investments, subject to final donor confirmation. Private sector pledges remain notional until conversion CI names have been shortened for simplicity. * SI amounts remain notional, with further adjustment possible **Amount reflected for MOSASWA includes US$ 16M in private sector resources contributed to the 8th Replenishment and allocated to GC7 (2026-2028) grant

Annex | GC7 SI Financial Performance

Excluding contributions received *later*, SI financial expenditure is in line with historical trends

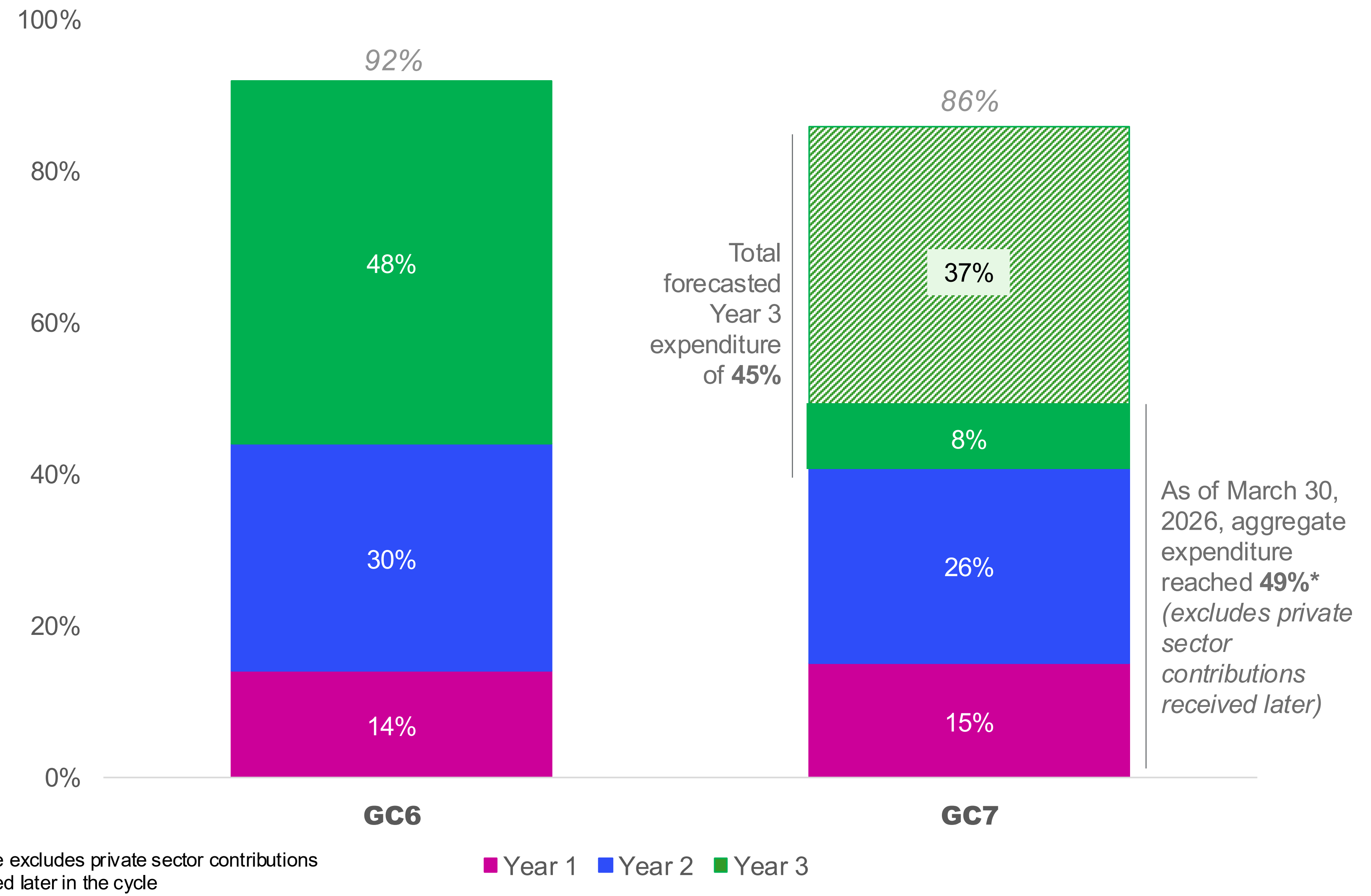


*Figure excludes private sector contributions received later in the cycle

- ✓ Private sector contributions received later in the cycle are implemented on differentiated timelines that skew comparisons to previous cycles. They are excluded here for ease of comparison only.
- ✓ Starting in GC6, shift toward deliverable- based structure has led to a higher rate of fund utilization **later** in the cycle, when majority of high-value deliverables are due.

Annex | GC7 SI Programmatic Performance

Most SIs maintained or improved programmatic performance during Semester 4 (June to December 2025)

SI	Programmatic Progress
Community Engagement	100%
Integrated Lab Systems Strengthening	100%
NextGen Supply Chain, Procurement and QA	98%
Address Human Rights & Gender Barriers to Services	93%
Digital Health Impact Accelerator	92%
NextGen New Product Introduction	92%
Health Finance-PFM	71%
Health Finance	66%
NextGen Regional Manufacturing	38%
Effective Community Systems & Responses	36%
Climate and Health	

*Semester 4 aggregate target achievement of 73%**

Organizational changes within several implementers and partners, requiring revised implementation plans, with efforts underway to resolve bottlenecks.

Results reflect low country demand for certain planned activities. Revision to course correct approved in Semester 2, 2025, to translate into improvement in 2026

Good results against initial process indicators. However, SI started implementation in Semester 2, 2025 and output indicator reporting is not due until later in 2026

*Increases to 79% with exclusion of Climate and Health