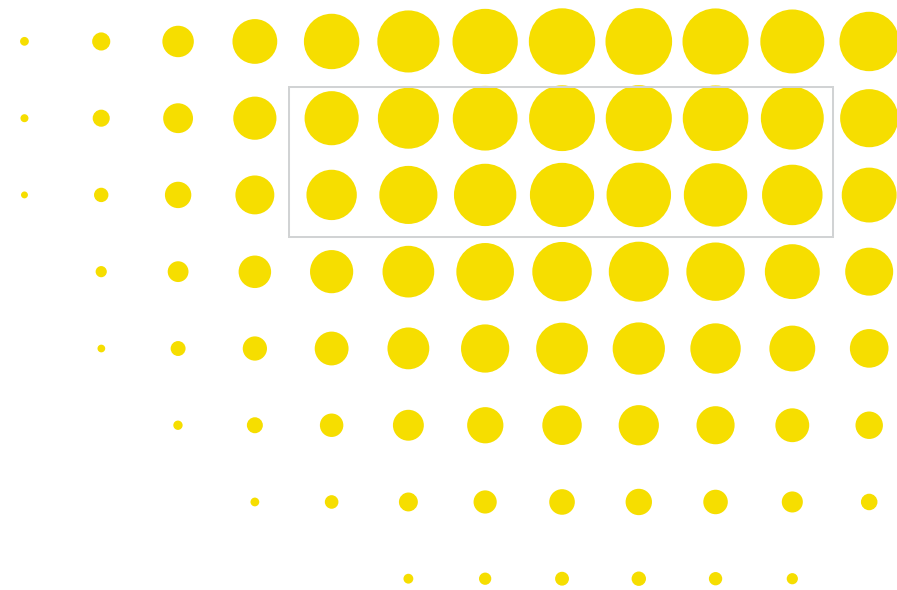


Approach to mid-cycle grant adaptations

53rd Board Meeting

GF/BR2025/02_Rev1

8-9 May 2025, Geneva, Switzerland



Board Retreat - Context

- On 7 May 2025, the Board met in a retreat in advance of the 53rd Board Meeting, given the shifted external context introduced, which also impacts the Global Fund partnership. In this context, there may be a need to take swift action to safeguard the current grant portfolio.
- A key purpose of the retreat was to provide space for Board Members and the Secretariat to discuss the approach to reprioritization of Grant Cycle 7 grants, taking account of the disruptions thus far, the likely reductions in bilateral funding for HIV, TB, malaria and health systems, and the risk of shortfalls in GC7 funding.
- This document outlines the proposed approach to mid-cycle grant adaptations and can be consulted within constituencies.
- The Board is asked to:
 - Provide input on the process for reducing GC7 funding envelopes
 - Provide input on the programmatic reprioritization
 - Provide input on the process for streamlined review and approval of grant revisions

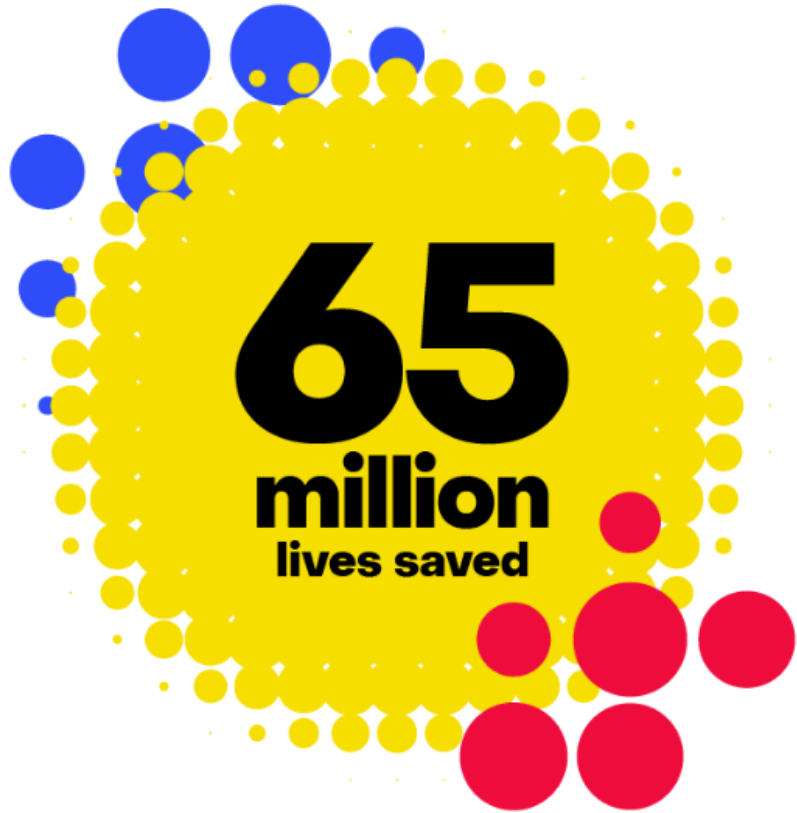
Introduction (1/2)

- The external financing landscape for global health programs is undergoing significant and rapid change. The Global Fund is both subject to these forces and supporting countries and communities to respond.
- To date, the Global Fund's priority has been to ensure continuity of approved programming given these significant disruptions.
- To accurately assess this situation and preserve available funding, the Global Fund has not yet approved reinvestment of resources to cover potential gaps from other funders nor revised already approved grants.
- Initial measures were introduced in late April to defer lower priority areas of investment in grants and maximize available funding to respond to this context.
- Considerable uncertainty remains on the scope and scale of future U.S. bilateral global health programs and on donor pledge conversion for GC7.
- Many countries may need to revise grants to preserve and enable access to services because of changes in external support. Global Fund-supported countries would need to revise over 200 grants if allocated funds for GC7 must be reduced.

Introduction (2/2)

- These slides propose principles for and process to 1) **reduce GC7 funding envelopes** if required; 2) **reprioritize Global Fund programmatic investments** to enable access to the most essential and lifesaving interventions considering *all sources of funding* (including domestic), and holistically across HTM programs and health & community systems; and 3) **enact a streamlined grant revision process** to rapidly move to revised funding envelopes and reprioritized programmatic interventions.
- If reductions to GC7 allocations become necessary, reduced country envelopes, with indicative grant amounts, will be communicated to countries through CCMs and PRs – these bodies will inclusively decide how to adjust grants within this envelope.
- With either decreased GC7 pledge conversion or continued uncertainty about pledge conversion, the Global Fund will need to use these steps in the near term to preserve our liquidity position, continue to fund programs, and best support countries and communities to preserve and enable access to lifesaving interventions and inclusive health impact.
- The focus of this presentation is mainly on GC7 country allocation grant funds (the vast majority of our funds) but all funds are in scope and we are also considering reductions to OPEX and GC7 Catalytic Investments including Strategic Initiatives, matching funds and multi-country grants.¹
- Mid cycle adaptations must be **considered as part of the path to GC8 grants** to sustain gains made in our collective efforts to end AIDS, TB and malaria while building more resilient and sustainable systems for health.

There is a great deal at stake, measures taken now must preserve life-saving interventions and progress



Key Results: 2023



25.0m

People on antiretroviral
therapy for HIV



7.1m

People treated for TB



227m

Mosquito nets distributed

*Since 2002, health programs supported by the
Global Fund partnership have saved 65 million lives.*

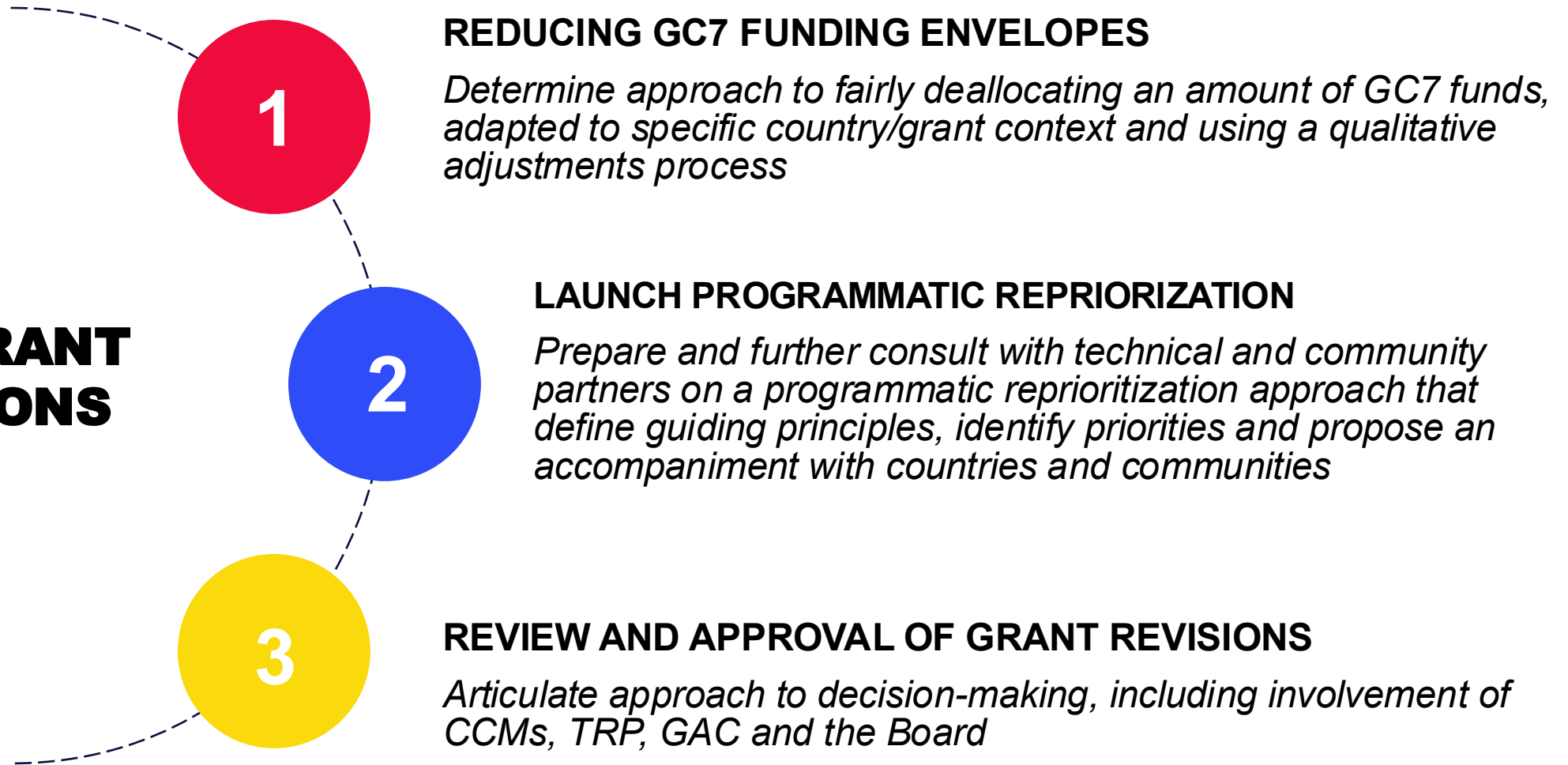
We have multiple objectives in approving grant revisions

- 1 **Simplify:** Use existing processes and where possible keep balance of approved interventions, making changes only where required
- 2 **Expedite:** Countries must be able to rapidly move to new programming arrangements that reflect newly reduced funding levels and priorities
- 3 **Reprioritize:** Support countries to prioritize access to life saving services, protect those disproportionately impacted by HTM and deliver sustainable impact
- 4 **Include:** Significant changes to grants should involve key stakeholders, including PRs, CCMs (including communities and civil society), TRP, Board and the Secretariat
- 5 **Oversee:** Use existing oversight mechanisms to review significant changes, i.e. Grant Approvals Committee (GAC) with transparent governance reporting on funding and summary program shifts.

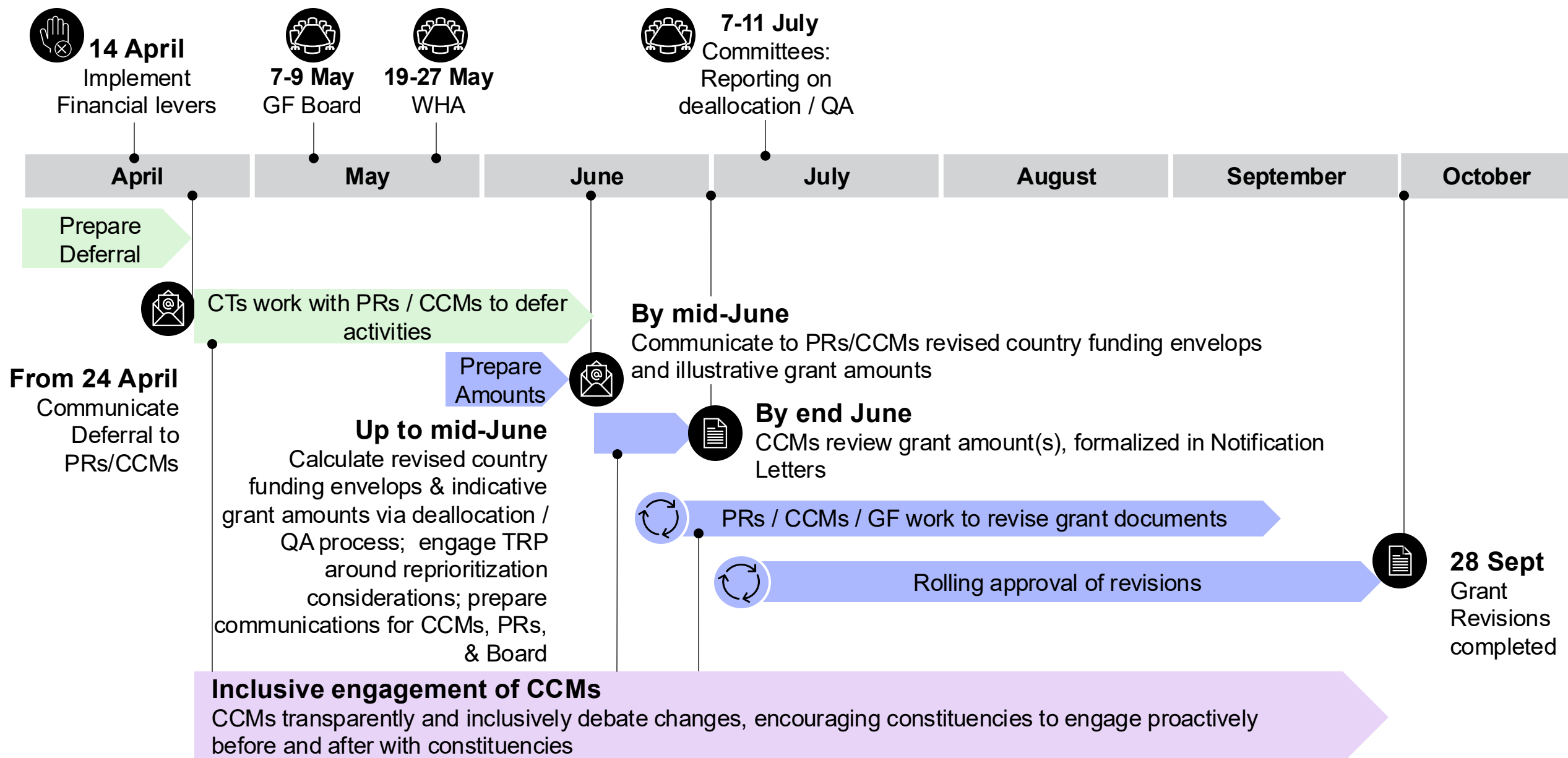
These principles also apply to GC7 grants that are in grant-making, noting timelines will be differentiated

Three main areas of focus for mid-cycle GC7 grant revisions

GC7 GRANT REVISIONS



Illustrative timeline for GC7 mid-cycle grant revisions



1 Reducing GC7 Funding Envelopes

Context and Principles

Objective: Fairly distribute any reductions to GC7 allocations, with adaptation to specific country/grant context

Context

- Nonfulfillment of GC7 pledges (or continued uncertainty) will require funds to be deallocated from country portfolios.
- The following slides outline a proposed formulaic approach with qualitative adjustments to **allocate the reduced amount of funding available for GC7**.
- This process considers where countries are in the grant cycle, executed GC7 funds, and unique country contexts.

Principles

- 1 **Appropriate:** Considers that reduction is mid-cycle and countries have already used variable portions of their funding levels
- 2 **Fair:** Broadly aligned with original intent of the allocation methodology
- 3 **Transparent:** Easy to communicate with clear methodology
- 4 **Adaptable:** Allows for adjustments based on country-specific context, incl., commoditization, domestic financing, partner landscape
- 5 **Swift:** Can be implemented quickly

We have considered multiple options as the basis of reducing funding levels before qualitative adjustments

Run allocation model on reduced amount

Applying the model mid-cycle would result in steep reductions to many portfolios

Reduce all allocations the same percentage

Does not reflect that reduction is mid-cycle, with countries already having started grant implementation

Allocate reduced amount according to programmatic reprioritization

Given shifting external funding landscape, current budgets are less useful for guiding essential programming

RECOMMENDED

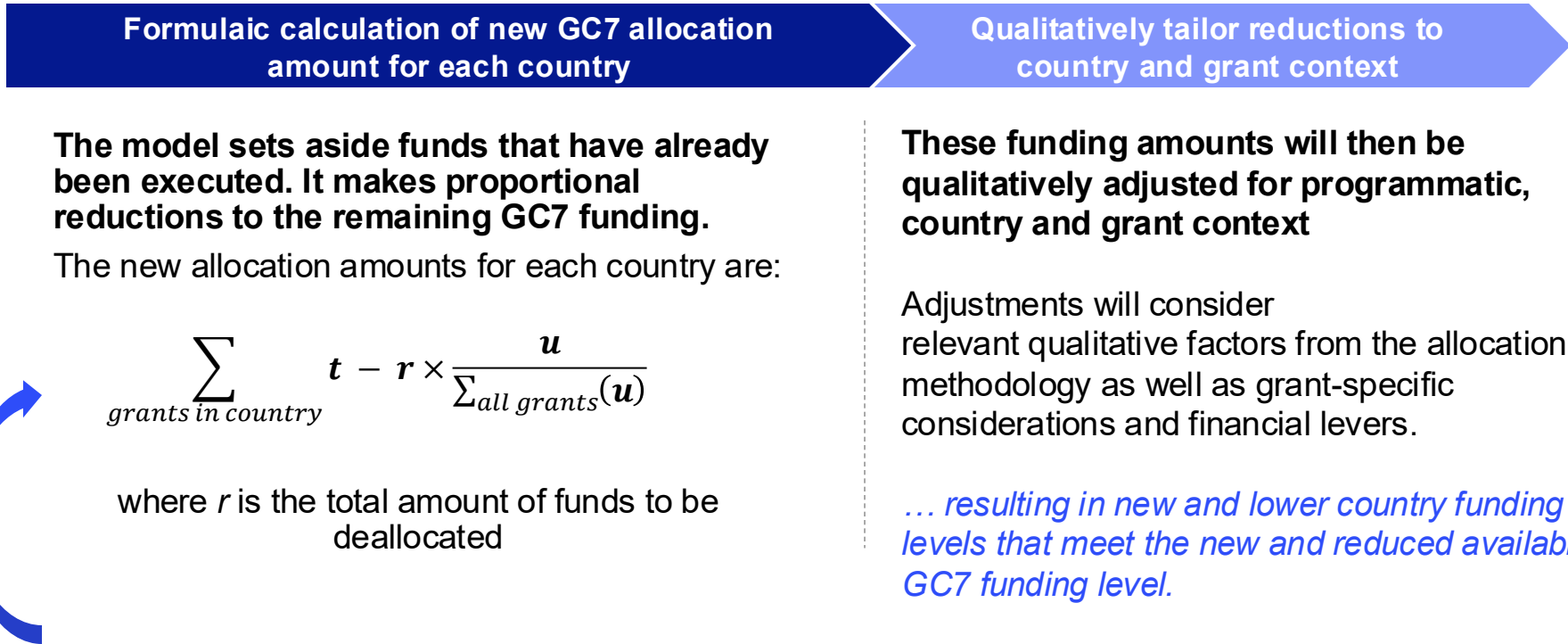
Reduce proportionately unexecuted funds*

Enables reprogramming across all unexecuted funds, considers that reduction is mid-cycle

*Unexecuted funds represent the difference between budget totals and expenditures (including projected expenditure up to 30 June 2025).

Deallocation model

A new model, designed for a one-off mid-cycle deallocation. Driven by a formula and adjusted through qualitative adjustments to tailor deallocation to country and grant contexts.



Model inputs

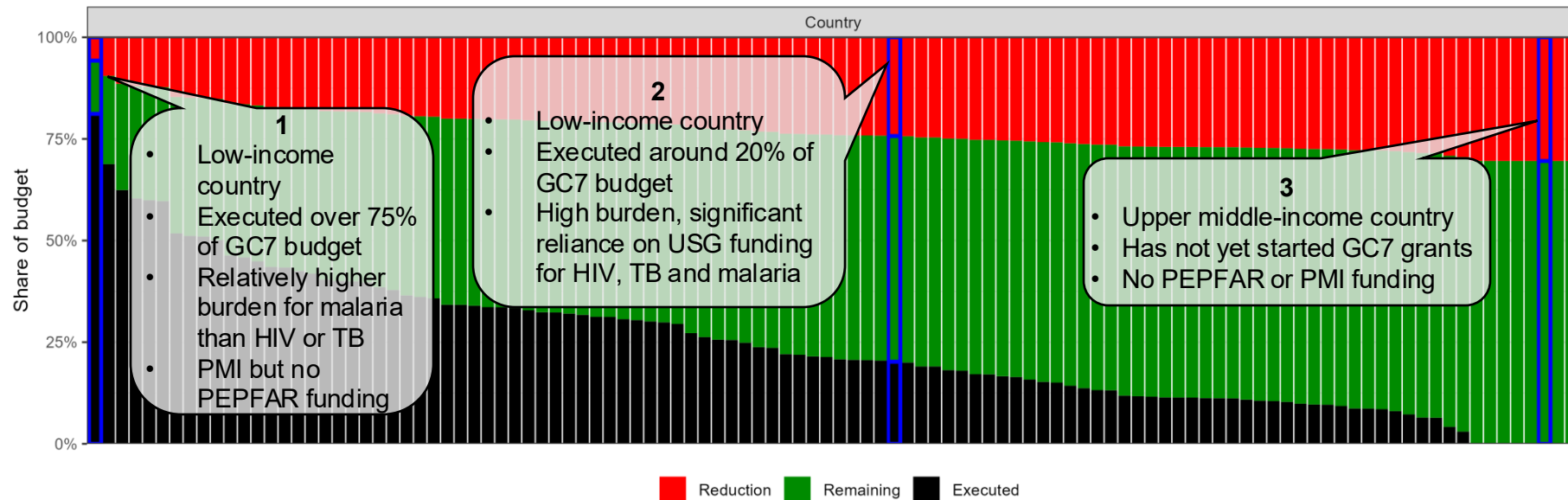
- r = total amount of funds to be deallocated
- t = Current GC7 grant budget total
- u = projected unexecuted funds as of 30 June 2025

Mid-cycle deallocation requires an equitable but not equal approach

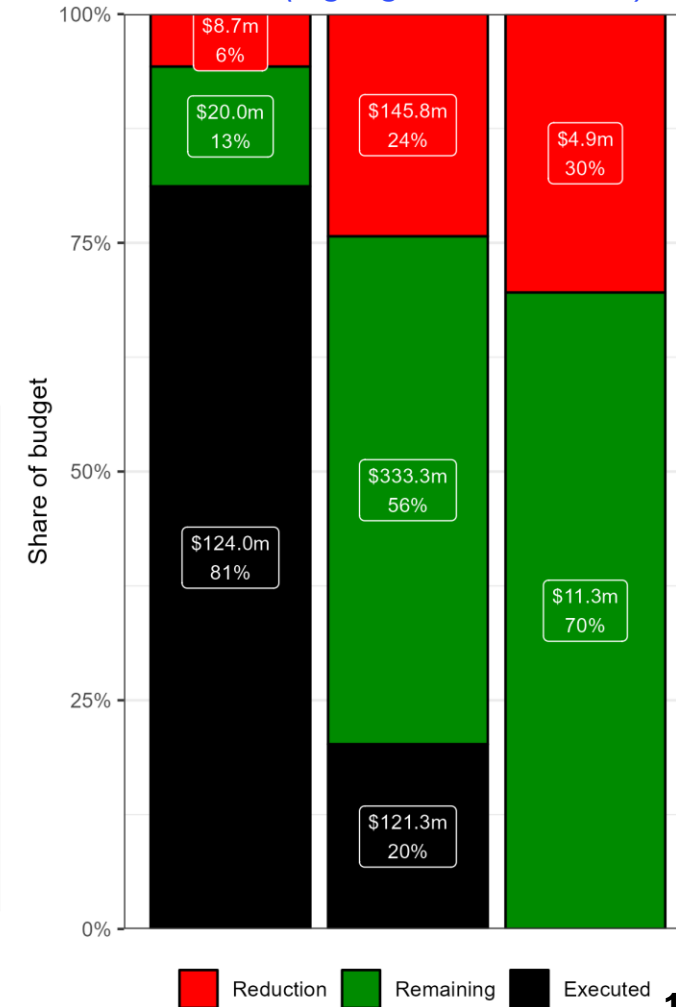
The proposed approach:

- Protects countries that have already implemented GC7 funds and therefore have less funding and time remaining in GC7 to adapt programs.
- Deallocates more funding from countries who have not yet started or executed little of their GC7 budgets, who therefore have more time and unexecuted funds remaining in GC7 to adapt programs.
- Considers (in qualitative adjustments) issues such as high-burden countries with significant dependence on USG financing.

Illustrative examples under illustrative reduction



Illustrative examples under illustrative reduction (highlighted countries)



Qualitative Adjustments (QA) approach

After grant budgets are reduced through a formulaic approach, a light QA process would be carried out to adjust for unique country and grant contexts

QA approach to deallocation will build on relevant QA factors from the GC7 allocation methodology¹

- **QA objective:** To adjust for unique country and grant contexts, aligned with the principles for deallocation
- Final country envelopes, with indicative grant amounts, will be communicated to countries for CCMs/PRs to adjust across grants within the country envelopes

Key Contextual Factors GC7 QA

Coverage Gaps	➔
Incidence and mortality	➔
Cost of Essential Programming	➔
Sustainability, Transition and Co-financing (STC)	➔
Challenging Operating Environments (COEs)	➔
RSSH	➔

Deallocation QA considerations (non-exhaustive)

STRATEGIC	Remaining broadly aligned with allocation methodology; considering opportunities to roll-out game-changing innovations (e.g., LEN)
PROGRAMMATIC	Continuing most critical GC7 interventions based on programmatic reprioritization
STC	Country-specific information on domestic uptake of activities, specific co-financing commitments, reliance on USG for HTM programs, country trajectory from GC6 to GC7 revised budget
GRANT-SPECIFIC	Grant-specific considerations including COEs, implementation arrangements, consideration of cyclical investments
FINANCIAL LEVERS	Considering RSSH rebalancing as well as FX levers to support continuity of investments

Catalytic Investments are also impacted, but we will take a tailored approach

GC7 Catalytic Investments*

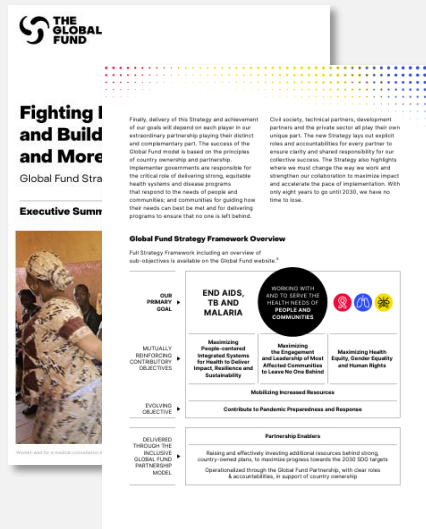
Strategic Initiatives	Matching Funds	Catalytic Multi-country
<ul style="list-style-type: none">✓ Analyzing interdependencies that may have shifted to descope a subset of activities in the evolving context✓ Safeguarding private sector commitments integrated into, or leveraged by, SI activities, with consideration for GC8 priorities to maintain momentum	Reductions anticipated; analyzing each MF and associated 'matching conditions' that may be harder to meet with funding constraints	Reductions anticipated, but will be tailored

The Strategy Committee has oversight of Catalytic Investments – currently, any changes exceeding 15% of the CI priority require SC approval and any changes within delegated Secretariat authority are reported to the SC. No change is proposed for this process. For purposes of GC7 adaptations, a comprehensive update and any requested approvals will be shared on or before the July meeting; these may also require GAC approval.

② Programmatic Reprioritization

Preparations for Programmatic Reprioritization include three dimensions

1 Define Principles



Leveraging our Strategy

2 Identify portfolio level priorities

- Normative guidance (existing and emerging)
- Evidence (including community and civil society analyses)
- Information notes for GC7; partner tools and programmatic materials
- Considerations for portfolio level re-prioritization and de-prioritization organized by GF modular framework intervention and cost input

Tools to inform and guide (non-exhaustive)

3 Accompany countries & communities in reprioritization

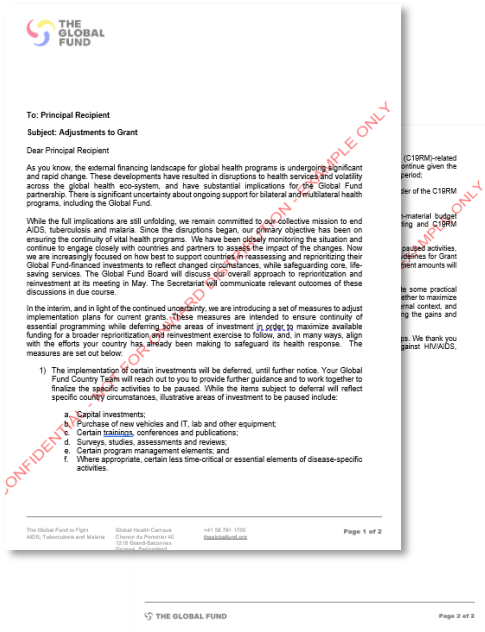
Considering country context, partnership landscape and all sources of funding



Country-owned and -led effort

Defining principles in line with our Strategy while responsive to the current context and work ahead

Guiding principles for programmatic reprioritization



First set of adaptation measures shared with PRs, CCMs, Board and technical and community partners

Preserve & enable access to life saving services

Grants are *already* highly prioritized; this approach needs to *reprioritize* holistically and inclusively, across all sources of funding

Prioritize those disproportionately impacted by HTM

Essential investments must consider access (including barriers to) and equity across populations and service delivery models

Prepare for informed & inclusive country level decisions

This requires inclusive, rapid decision making for GC7 that **builds momentum** for GC8

Given the evolving context, disruptions and interdependencies, countries and communities are requesting to reprioritize grants

Portfolio level core priorities for HIV

Save Lives

- ✓ Ensure treatment continuity for all people living with HIV
- ✓ Expand cohort for people newly diagnosed or re-engaging with care
- ✓ Ensure services to diagnose and manage TB and advanced HIV disease (CD4 testing, diagnosis & treatment of opportunistic infections)

Identify People with HIV

- ✓ Ensure HIV testing and linkage to services – provider-initiated testing and counselling, testing in TB services and focused testing for priority groups/settings (KP, STI clinics)
- ✓ Identify HIV positive pregnant women and prevent vertical transmission to babies – ANC testing in moderate, high and very high incidence settings (0.3% and higher) & treatment, infant prophylaxis & testing

Ensure Primary Prevention

- ✓ Enable primary HIV prevention services – condoms, PEP for all potential HIV exposures, PrEP for current users & new prioritized for high incidence populations
- ✓ Maintain harm reduction services – opioid agonist management treatment (OAMT) and management, especially methadone, naloxone, safe injecting commodities

Critical across all priorities - sustain human rights programs/advocacy that most impact service access, peer outreach especially for HIV prevention/testing, and safety and security; market shaping for HIV prevention

Portfolio level core priorities for TB

Diagnosis & Treatment

- ✓ Protect diagnosis and treatment, recognizing these drive costs (mostly through health products), but are essential for TB programming
- ✓ Maintain HIV testing for people with TB and initiating ART for those co-infected
- ✓ Continue TB screening for people living with HIV, Diabetes and undernutrition
- ✓ Continue using new screening/diagnosis tools and short treatment regimens

*On the “how” -
Engaging with the
private sector
remains a cost-
effective approach*

Targeted, Active Case Finding

- ✓ Focus on key and vulnerable populations and high incidence geographic areas.
- ✓ Contact investigation (prioritizing children) and linkage to treatment and prevention
- ✓ Integrating ACF for TB with other diseases and conditions

*Engage
communities along
cascade of care*

TB Prevention

- ✓ Maintain TPT for people living with HIV; including pregnant women and children under 5 in contact with patients with bacteriologically confirmed pulmonary TB
- ✓ Use symptom-based screening for TPT initiation

Critical across all priorities - surveillance, lab strengthening and market shaping for innovative TB diagnosis and treatment tools

Portfolio level core priorities for malaria

Case Management

- ✓ Deploy a sub-nationally tailored approach prioritizing most impactful activities to minimize malaria related mortality
- ✓ Ensure effective diagnosis and treatment at public facility and community level
- ✓ Ensure sufficient support to provide access to quality services with a focus on leaving no one behind

Disease Prevention

- ✓ Target prevention services first to the most vulnerable and highest burden
- ✓ Vector control is the most impactful preventive intervention: use the most effective and efficient distribution channels
- ✓ SMC is lower priority to vector control but impactful and should first focus on children under 5.
- ✓ IPTp and other chemoprevention deployed through routine services should be fully integrated and covered by national funding, where possible.

Surveillance

- ✓ Continue to support efforts to improve the subnational tailoring approach
- ✓ Transition from large scale surveys to more efficient monitoring approaches (ex. ANC1 surveillance, LQAS)
- ✓ Maintain monitoring of biologic threats (TES, hrp2/3 deletion surveys, insecticide resistance monitoring)
- ✓ Integrate and decentralize epidemic preparedness efforts

Critical across all priorities - HRH/CHW, supply chain, HMIS, and appropriate product selection to combat biological threats

Deliberate integration of RSSH, human rights, gender and community systems and responses is essential *across* disease priorities²

While integrated within the portfolio level priorities, these are not as ends unto themselves but *how* we achieve sustainable impact, such as...

- **Effective integration.** As countries consider more integrated approaches, purposeful investment that removes human rights and gender related barriers to access for key, vulnerable and underserved populations is essential to effective responses
- **Quality delivery and access to care.** Human resources for health, including community health workers, innovating new tools and products are the backbone of providing HTM services with relevant capacity and capabilities, including gender responsiveness.
- **Robust foundations of inclusive health systems that will sustain gains.** Labs, supply chains, health information systems are fundamental to effective health responses for HIV, TB and malaria and will ensure self-reliance for countries facing future pandemics.
- **Improved health delivery.** Monitoring and feedback loops through community led monitoring; including identifying human rights and gender-related barriers to health progress.

Non-exhaustive

Programmatic Reprioritization is a country level exercise considering context, including *all* sources of funding



Epidemiological context



Populations & geographic areas/settings most impacted by HTM



Partnership landscape & engagement of community and technical partners



Value for money and sustainability of supply



Service delivery factors

Examples, non-exhaustive

*What is the **minimal package of services** needed to deliver a quality service in this setting?*

*Are there opportunities for efficiency gains and **appropriate/feasible integration** across diseases as well as primary care more generally?*

*What is the **minimum monitoring** needed to inform program decision-making*

Specific domestic financing

considerations, including *what* may transition to domestic financing, *how*, and *when*

- Pre-existing transition commitments
- Cost efficiency and effectiveness
- Domestic financing readiness
- Domestic implementation capacity
- Alignment with government priorities and pathways for transitioning specific interventions in the short or medium term

(Considered holistically)

3 Grant Revisions

We will be revising grants at an unprecedented scale, many countries will have to adapt programming at a significant scale

← **Steady-state** **What is different?** →



Grant revisions – administrative, financial and programmatic - **are a standard part of grant implementation**



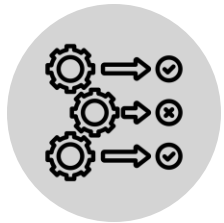
We may need to **reduce grant amounts across the entire portfolio** – something that has not occurred before



Country AND grant specific, timing driven by country/grant needs



Grant revisions will be specific to a revised country funding envelope and must be completed by a short deadline



Streamlined internal processes and procedures exist

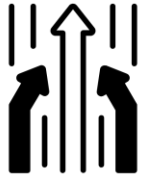


Adaptations will be needed to ensure quick execution so countries can focus on implementation and prepare for GC8 – 2026 will be Funding Request development for most of the portfolio

Adaptations to recently updated grant revisions process ensure it supports rapid changes to grants



Robust internal policies and processes governing grant revisions are in place, including requirements around CCM endorsement, approvals and engagement with the TRP.



Significant streamlining has recently been incorporated into the **existing process** and will be launched for these revisions.



However, the **short timeframe and the unique context** (i.e., if majority of grants will be revised downwards) **requires further adaptation**.



Revisions are on a grant-by-grant basis and with over 200 revisions by the end of September, the process cannot be burdensome.

Options we have considered

Recommended

1: TOP-DOWN

- Directive stop work orders on what and where to reduce/scale back
- Direct communication with PRs
- No required CCM engagement / endorsements
- No TRP engagement



Fast, clear, low workload



Limited country ownership, inclusivity, review or adaptability to unique contexts

2: ADAPTED REVISION PROCESS

- Adapt and differentiate existing revisions process
- Upfront TRP consultation
- Enhanced CCM engagement / endorsement



More rapid adjustment to lower funding levels, preserves country ownership, inclusivity, appropriate review, adaptable to unique contexts



Additional workload to revise grants in 2025

3: EXISTING REVISION PROCESS

- Use existing revisions process, including application of reprogramming thresholds that trigger TRP review
- Existing CCM endorsement



Inclusive, no process changes needed, adaptable to unique contexts



Slow and intensive workload, prioritizes grant development over implementation

Our recommended option is to slightly adapt the existing grant revisions process

2: ADAPTED REVISION PROCESS

CCM Endorsement

- **CCM endorsement will be required**, in line with existing guidance on revising grants
- Emphasis on ensuring meaningful engagement with **communities and civil society**

TRP

- **Upfront engagement of TRP** on programmatic reprioritization
- **Individual TRP reviews are not anticipated** for most of the portfolio¹
- **Expedited TRP review** - in case of opt-in or high materiality changes (e.g. deviation from core programmatic priorities when not funded elsewhere, etc.)

¹ TRP currently only reviews material revisions for High Impact and Core portfolios

Review & Approval

- The **GAC will have oversight** over the process and will **take a differentiated approach** based on scope and scale of revisions

Note: Approval of extensive revisions in GC7 may require streamlining/bypassing GC8 Funding Request development and review processes

Engaging CCMs in Revisions



We will apply an **enhanced version of the existing Revisions approach** to CCM engagement on funding reductions, balancing the need for engagement with agreeing changes quickly.



CCMs will receive a fixed country funding envelope, with indicative grant amounts for their review and endorsement. This is **an additional touchpoint** with the CCM that does not currently exist in our processes. The CCM will be directed to ensure meaningful engagement with all members of the CCM. The endorsement approach will follow existing grant revisions processes. If the CCM is unable to decide on grant amounts by the deadline or in other exceptional cases, the Global Fund will finalize to meet required financial timelines and note during the revision approval process.



PRs will reprioritize to adjust grants to the new grant amounts. Once changes are agreed, the **PR will send the Grant Revision Request to the CCM for its endorsement**, per existing grant revision process.



To ensure timely revisions and CCM engagement, we will introduce a **two-week period** from the PR sharing the Revisions request with the CCM for the latter to discuss and provide its endorsement, after which the PR can submit to the Global Fund. The Secretariat, and GAC as applicable, will carefully assess instances where the CCM does not provide endorsement within this timeframe.

*CCMs rely on the GF Partnership model, with in-country presence on CCMs **actively engaging and reinforcing inclusivity** as part of our collective responsibility.*

Timelines will be agreed between PRs and CCMs in advance.

Governance Oversight & Reporting

Transparent Reporting and Illustrative Timeline



53rd Board Meeting – Retreat



Reporting on GC7 Revised Country Allocation Envelopes:
report on final country funding envelopes

July SC, Board

Revisions finalized



Board Call TBD

May

July

September

December



GC7 Catalytic Investments:

SC approval of any increase/decrease in CIs above 15%

July SC



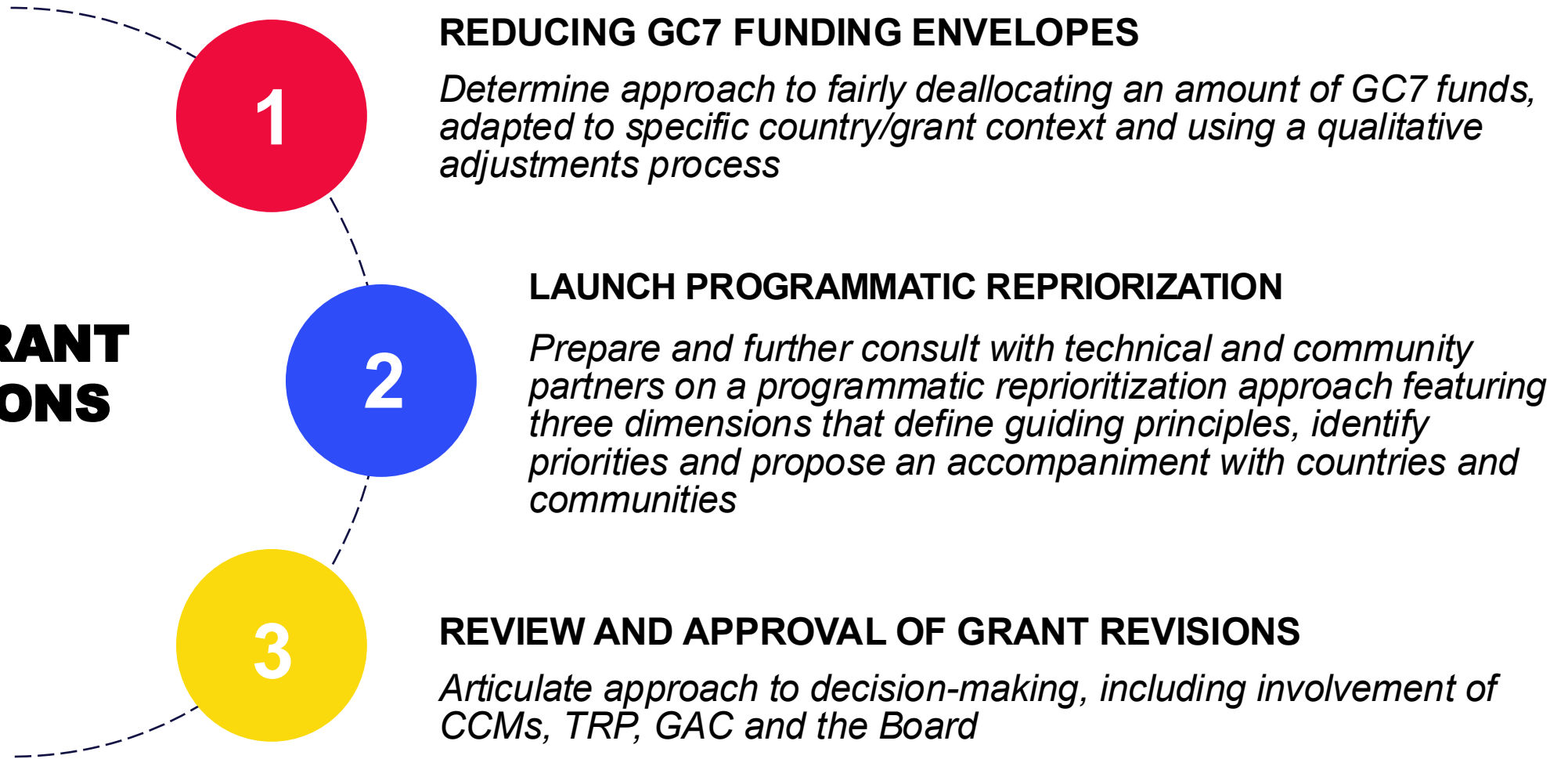
Reporting on GC7 Revisions related to reduced funding:

report on outcomes of revisions with a summary of high-level shifts in key program areas

Board

Summary of approach to GC7 Revisions

GC7 GRANT REVISIONS



These need to be considered holistically to prepare the countries and communities to maintain momentum into GC8 to end AIDS, TB and Malaria while investing in resilient and sustainable systems for health