

Global Fund 53rd Board Meeting

GFAN REPORTS BACK FROM GENEVA

THE CONTEXT TO THIS MOST UNUSUAL BOARD MEETING

This is an unusual report back from a board meeting for GFAN, because this was an unusual board meeting. Coming into the Board room, all knew that the immediate context would leave a deep imprint on discussions:

- We are in the middle of a financial crisis in global health, of a scale echoing COVID19 (more on the scale of the crisis further in the report). The change in American bilateral policy has dislocated a global health system built over a quarter century – with its flaws, including most obviously now an over-reliance on a few bilateral programs. The severity of the current moment echoed throughout the meeting, under the partial cover of diplomatic board speak.
- The U.S. had not disbursed, nor explicitly committed to disburse, the last tranche of its 7th Replenishment pledge, and the President's initial budget proposal indicates major cuts for global health programs. This, and uncertainty around other pledges as ODA budgets in key donor countries are being cut, is the context in which one must understand some of the discussions around reprogramming, and potential cuts to the GC7 envelope (find more details below).

What did this all mean coming into the Board room? While there were good discussions that indicated a general sense of alignment and eagerness for collaboration, the transparency of the board discussions, and its normal operating processes, were affected. Larger parts of the agenda than usual were dedicated to closed sessions, with access allowed only for Board Members & Alternates (and not members of their delegations or observers like GFAN). This Board Meeting was also light on points presented to the Board for votes (called decision points). Outside of approval of the Board agenda itself, a singular vote took place on the reform of the terms of reference of Technical Review Panel (TRP) members. This is not completely unusual, some Board Meetings have had retreats, executive sessions, and have been lighter on decision points. In particular, a number of essential decisions had been taken by the Board in November 2024, explaining in part the few decision points presented to the Board. Still, it is notable that the guidance provided to the Secretariat by the Board did not take the form of explicit votes, but mainly discussions generally informing the work of the Secretariat. Overall, this means that we – as GFAN, sitting as an Observer to the Board meetings at the invite of Board Leadership - do not have as much insight as usual into the reasoning behind certain decisions.

Despite the situation, the Board was able to have frank discussions, and did provide clear input and guidance to the Secretariat to steer the Global Fund through this moment. And there was a lot of alignment expressed, and a genuine will to constructively work together.

Finally, because of the very different nature of the discussions and processes during the Board, and in particular the relative absence of decision points (which are public and made with regard to publicly shared documents), the report will not be able to go into as much details as it has in the past.

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KEY ISSUES DISCUSSED AT THE BOARD

The Board Agenda included, in order of the sessions:

- A briefing ahead of the Board on Resilient and Sustainable Systems for Health investments made by the Global Fund
- A report from the Ethics Officer
- A report from the Independent Evaluation Panel
- ***An update on HIV, TB, Malaria and RSSH programs***
- A briefing on the Risk Management Annual Report and Opinion
- ***A discussion and decision point on a revision to the TRP Term of Reference***
- ***A discussion of the approach to mid-cycle grant adaptations***

Key discussions are highlighted in the list above. The discussion of the approach to mid-cycle grant adaptations was pushed to the end of the Board to leave time for it to be first addressed in closed sessions, among Board Members. For the sake of brevity, this report will focus on the three highlighted discussions, in order not of appearance but of perceived urgency.

UPDATE ON HIV, TB, MALARIA AND RSSH PROGRAMS

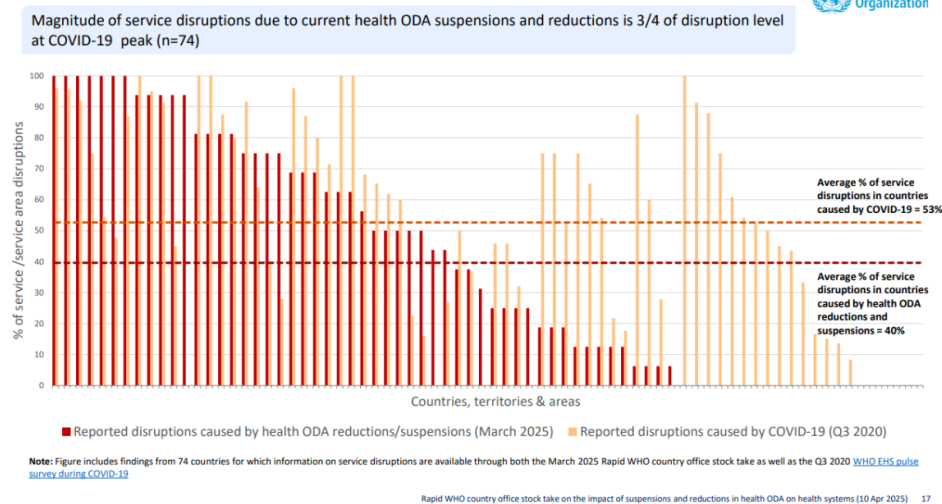
The Secretariat presented the Board with a briefing on the state of the fight against HIV, TB and Malaria, and progress on Resilient and Sustainable Systems for Health (RSSH). The presentation focused on the impact of the freezes and cuts in U.S. bilateral programs, and drew parallels in particular to the disruption caused by the COVID19 pandemic.

The presentation highlighted for the participants the stakes of the discussion of the 3 days of the Board, and these stakes can be summarized with some charts:

1. The current crisis is comparable in magnitude with COVID19

The Partnership has experience with disruption during crisis – we'll need to build from agile thinking & action

Contextualizing magnitude of disruptions



While not the same context, critical lessons from C19RM can inform GF investment to preserve access to life saving services such as:

- ✓ Service and health function integration
- ✓ CHWs part of national HRH strategies
- ✓ Simplifying services to most impactful essentials

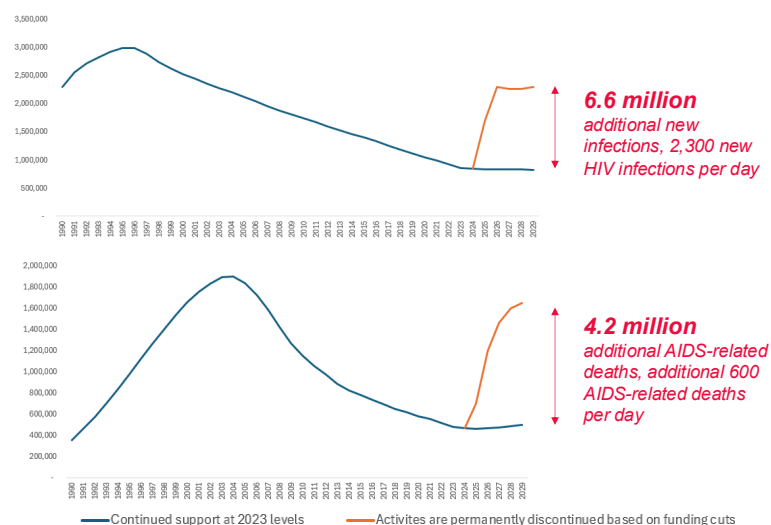
Non-exhaustive list

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Modeled impacts of reduced funding are creating a collective sense of urgency

New HIV Infections & Projections
Assuming cuts in HIV funding maintained, 55 high burden countries, 1990-2029
UNAIDS, Data for Impact, April 2025*

AIDS-related Deaths & Projections
Assuming cuts in HIV funding maintained, 55 high burden countries, 1990-2029
UNAIDS, Data for Impact, April 2025*



*Source: UNAIDS estimates and projections from Avenir Health April 2025.
For more information please see: https://www.unaids.org/sites/default/files/2025-04/UC3144_Estimates_Funding_cuts_impact_En.pdf

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2. The outlook is about as grim as can be. Better projections for HIV were provided because data is more readily available, but there are no reasons to believe they are any less alarming for TB and Malaria, both of which were less on track to the 2030 targets to start with.

The Secretariat, relying on WHO data, showed that impact was high across all areas of work in global health, but that HIV, TB and Malaria were among the worst affected. There, U.S. bilateral programs had been especially large and closely integrated with other programs and domestic health systems. Across the portfolio, impact is wide yet uneven:

- Across the disease portfolios, Malaria programs have been hardest hit.
- Across regions, Western and Central Africa have seen the worst disruptions
- Key and Vulnerable Population programs are among those with the highest disruptions.

Monitoring and documentation of the disruptions is taking place through Principal Recipients (PRs), CCMs, and technical partners in country (WHO, UNAIDS and others).

The presenters stressed that in that context, programs have had to pivot to ensure continuous access – not just continuity of procurement, but continuity of service delivery to those in need. The Secretariat hopes that its ongoing investments in RSSH and Next Gen Market Shaping would support domestic investments to fill some of the gaps left by external funding. In particular, procurement through Wambo.org would be open for domestic programs to ensure access to lower-cost products.

Overview per disease:

- **HIV**
 - o Success against HIV/AIDS has been significant, but fragile, and we now see what that means. So far, the Secretariat reported no documented national stock-outs in Global Fund countries (though issues of distribution do create local stock-outs), but projections by UNAIDS predict a truly horrific impact of lower funding levels in the coming years, across cases and deaths.
 - o Integration: Integration of HIV services with the rest of the health system has been a long-standing objective and is now an urgency. At the same time, there are clear challenges, and the process is and will be difficult to ensure access to all stigma-free services. The challenges to integration were raised by several delegations throughout the Board – integration can mean stigma and key populations losing access in any context but is especially hard where and when key populations are criminalized.
 - o Transition and Sustainability: Another long-standing objective becoming urgent, but in the words of the presenter “sustainability is a process, not a switch”, and the current situation has demonstrated the importance of a gradual approach.
- **TB**
 - o TB programs were badly hit worldwide by the COVID19 pandemic, with case referral (i.e. when people with TB are found and are directed towards available treatment and care services) in particular slowing down. Since 2023, we have

seen a rapid recovery, with record numbers of cases diagnosed and treated. That recovery is now under threat, with referral numbers already slipping. The Stop TB Partnership estimates that the longer the lower funding level remains in place, the worse the outcome.

- Though globally the TB response is in large majority done through domestic programs, the global average is brought up by a few countries, India, Brazil and China in particular. Looking beyond the averages, many countries especially in Africa are extremely dependent on external funding, and the Global Fund is by far the largest contributor.
- Programs have accelerated their transition towards newer treatment and diagnostics, adopting portable X-ray and AI-assisted screening, shorter treatment courses and rapid molecular tests.

- **Malaria**

- Progress against malaria in Global Fund countries has stalled since 2015, partly due to inadequate funding and partly because of the pressures of climate change, growing vector and parasite resistance, and political crises in many high burden countries.
- Malaria is the most heavily dependent on external sources of funding across the three diseases, with PMI providing, until the freeze, a big part of that funding. Opportunities for additional domestic funding in high-burden countries is low if it exists at all.
- Modeling done by the Global Fund shows that cases and deaths could increase rapidly unless prevention and treatment return to earlier levels.

Technical partners (UNAIDS, WHO, the Stop TB Partnership and the RBM Partnership) gave short remarks, aligned with the presentation from the Secretariat. Additional points included the challenges of documenting the disruption in a number of countries where health management systems and surveillance had been disrupted, forcing programs to “fly blind”, and the especially time sensitive issues for malaria, where speed of transmission and disease progression, combined with the importance of seasonal intervention, meant that the impact could already be felt, and projections for the year have already been revised upwards for both cases and deaths.

A DISCUSSION OF THE APPROACH TO MID-CYCLE GRANT ADAPTATIONS

Not initially scheduled, a discussion with the full board was added onto the last day on the Secretariat’s approach to reprogramming of GC7 grants and some very few GC6 remaining funds, on the basis of a read-out of the outcome of the Board Retreat that took place immediately before the Board. The Secretariat explained that reprogramming was essential in the face of the sudden transformation of the global health ecosystem. The collapse of U.S. bilateral programs, let alone any worry about the financing landscape, requires a reprioritization of current grants so that they can adapt to the new reality. In countries where Global Fund and U.S. bilateral funds were closely integrated, essential links in the chain from funding to impact might have disappeared. In addition, high-impact interventions might have stopped, and should be prioritized and taken over by a Global Fund grant.

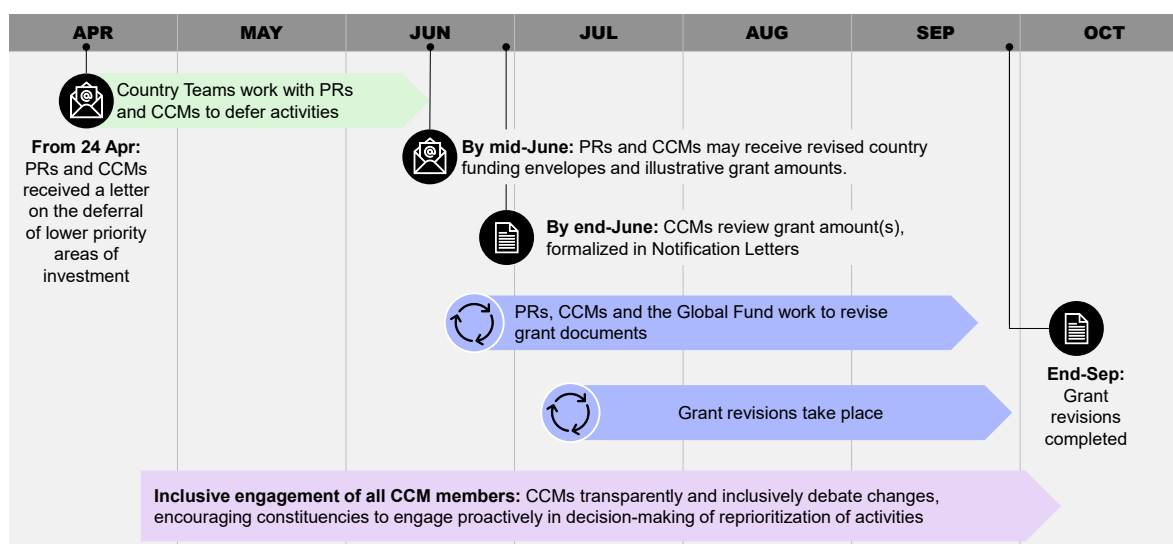
In that context, during this session, the Board was asked to (without voting on a decision point):

- Provide input on the process for reducing GC7 funding envelopes
- Provide input on programmatic reprioritization
- Provide input on the process for streamlined review and approval of grant revisions

The Secretariat shared its priorities and objectives for the process, including simpler and faster grant reprogramming, rethinking of current grant priorities, ensure the process be inclusive of all stakeholders – namely PRs, CCMs, TRP, Board and the Secretariat – and oversee the process and transparently report. These objectives would be met in a three step-process:

1. Reduction of GC7 funding envelopes, with amounts specific to each grant
2. Launch of the programmatic reprioritization
3. Review and approval of grant decisions

Timeline



The presenters stressed that a key challenge would be to balance speed and inclusivity of the process, as reprioritizing was essential – ongoing expenses that do not account for the changing landscape could cost us dearly, but so could unilateral reprioritization that does not account for ground reality or excludes key groups.

BOARD INPUT ON THE PROCESS FOR REDUCING GC7 FUNDING ENVELOPES

The board was presented with four possible options that the Secretariat considered to reduce GC7 envelopes. One, number 4, was highlighted by the Secretariat as preferred:

1. Re-run the allocation model on a reduced envelope – would result in a steep reduction in many countries, because the model is not linear
2. Reduce all allocations by the same percentage – would ignore the fact that in many countries funds have already been committed

3. Allocate amounts according to reprioritization – considering the huge shift in the funding landscape, current budgets provide little information to guide essential programming
4. *Reduce proportionately unexecuted funds*

In essence, the Secretariat would ask each country to cut a certain share of the funds they have not yet spent. The Secretariat frankly acknowledged that the method would hit countries unevenly, with countries that have spent less of their GC7 grants hit worse, but also that they would then have overall larger envelopes to redistribute, more time to adapt and more flexibility having started fewer programs. The Secretariat will use a formula to obtain a new country-specific allocation number but will tailor that result to take into account qualitative factors – on the same basis as with the allocation methodology.

The presenters focused on country grants, but if cuts do occur, they will also affect Operational Expenditures (OPEX) and Catalytic Investments (CIs, including Strategic Initiative, Matching Funds and Multicountry Grants). The Secretariat explained that cuts there would not follow a specific formula and be tailored, with alignment to the Strategy, preserving interdependencies, and consulting with stakeholders. In accordance with decision points adopted in November, the Strategy Committee and the Board would be notified of changes in CI funding over 15%.

A number of Board members, while overall approving of the choice made, warned against cuts unfairly affecting grants based on their execution timeline. Countries should not be penalized for low execution figures if it reflects decisions aligned with strategic objectives or funding considerations – for example in TB, many grants have had carry-over from GC6 and have planned procurement for year 2 and 3, skewing their fund execution figures.

The Secretariat confirmed that fund execution should not be confused with absorption – depending on a number of completely legitimate factors, countries can (and are encouraged to) decide when to spend their funds throughout the life of the grant. In many cases the countries with currently low levels of executed funds are just following plans according to different timelines.

PROGRAMMATIC REPRIORITIZATION

The Secretariat presenter stressed again that regardless of the pledge conversion outcomes, reprogramming will likely need to occur, because the funding landscape is too different from when the grants were planned.

The Secretariat has prepared the programmatic reprioritization following three dimensions:

1. Definition of overarching principles on the basis of the Strategy
2. Identify portfolio-level priorities (HTM and RSSH), using exiting normative guidance, evidence and information put out by partners
3. Accompany countries and communities through reprioritization, accounting for country context and funding landscape.

Essential in that exercise, and at the center of most of the discussions with the Board, is the guidance that the Secretariat will provide to country teams, CCMs and PRs for reprioritization, and that should guide the review process of grants.

Three overall guiding principles were presented, reflecting the guidance communicated to PRs and CCMs in the previous week around the slowing of non-essential priorities:

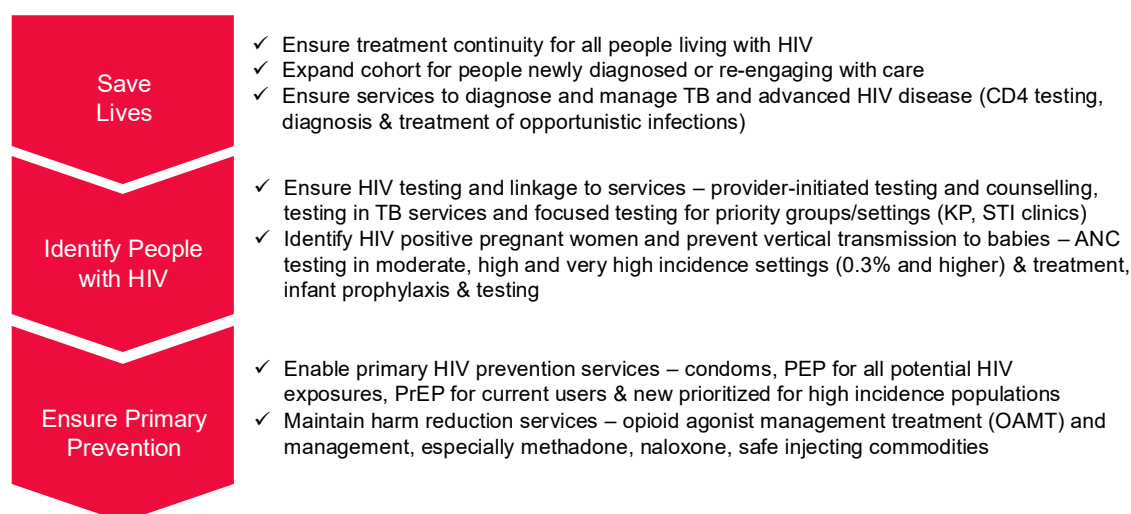
1. Preserve & enable access to life saving services
2. Prioritize those disproportionately affected by HTM
3. Prepare for informed country level decision

The presenters then shared the principles that would guide the Secretariat's guidance to countries for reprogramming, per portfolio. For each portfolio, types of intervention are ordered by level of priority:

- For HIV, treatment continuity, access to treatment for people diagnosed, and diagnosis and management of TB and advanced HIV disease are at the top of the list, then
- For TB, diagnostics and treatment, HIV testing and ART initiation, and portable X-ray and shorter regimens are to be given the utmost priority and, finally:
- for Malaria, case management targeting the most affected areas, diagnosis at health center and community clinics, and ensuring adequate quality of care in facilities. RSSH and CRG prioritized are to be actively integrated across these priorities, and the Secretariat shared its commitment to tailoring its approach country per country.

The full list of prioritization provided for discussion to the Board can be found below for each disease.

Portfolio level core priorities for HIV

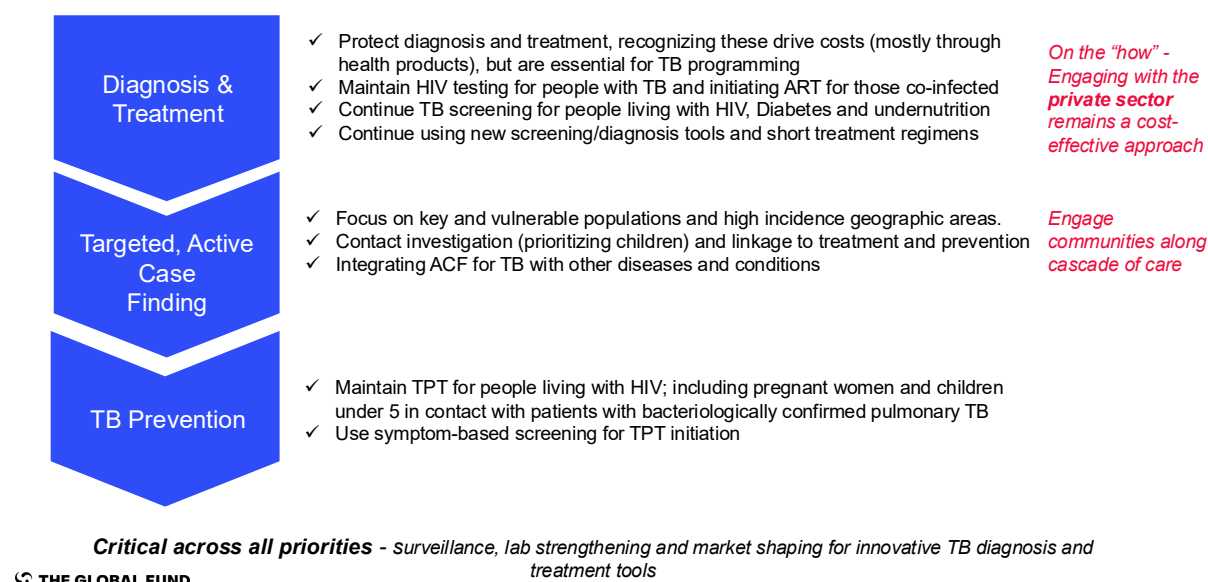


Critical across all priorities - sustain human rights programs/advocacy that most impact service access, peer outreach especially for HIV prevention/testing, and safety and security; market shaping for HIV prevention

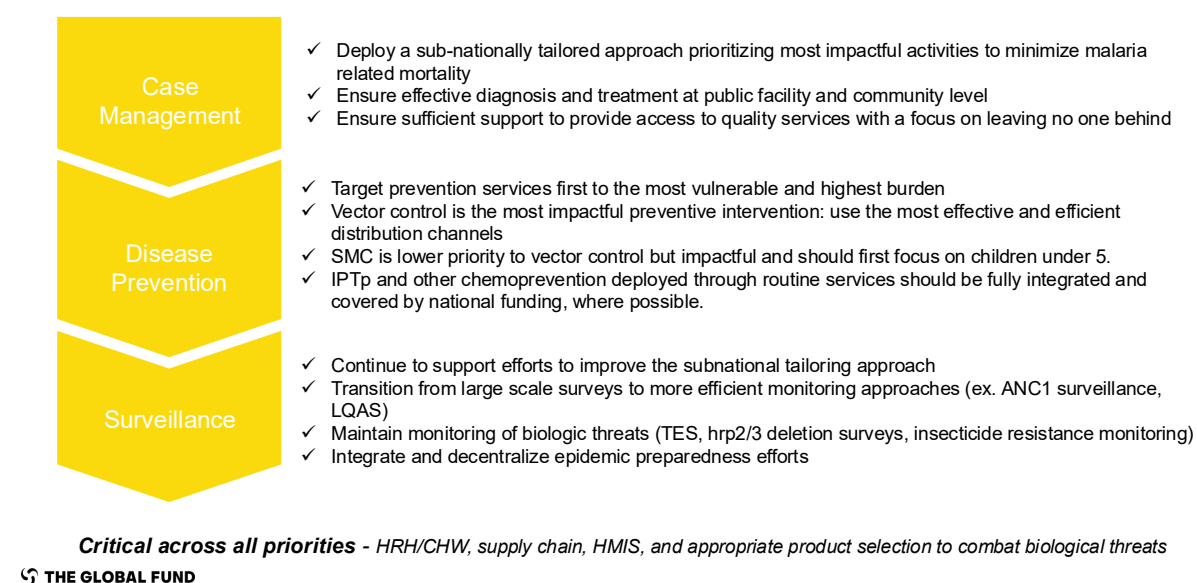
Several questions from Board Members centered on that prioritization and in particular the use of “lifesaving” as a yardstick – a term that has no formal definition for the Global Fund, and could be interpreted in a variety of different ways at the country level. Several Board

members in particular suggested that the centrality of the term in the Secretariat's guidance suggested a priority given to treatment over all else.

Portfolio level core priorities for TB



Portfolio level core priorities for malaria



The Secretariat tried to assuage these concerns, highlighting the additional guidance beyond the term life-saving and saying that "life-saving is an outcome, not an input". The speakers did acknowledge that all interventions are lifesaving in some sense, especially with Unfunded Quality Demand (UQD) for GC7 around \$6 billion, but that the term was still a useful shorthand.

PROCESS FOR STREAMLINED REVIEW AND APPROVAL OF GRANT REVISIONS

The presenter emphasized that reprogramming is not a new concept for the Global Fund, but rather a routine part of their operations. That, however, they are not typically done in the context of envelope reductions, nor on such a scale. In addition, time is of the essence – it is essential that spending be reprioritized to fit the new funding landscape better, but also important to consider that countries will prepare their funding request again next year and cannot spend excessive resources on programming in the middle of an emergency.

The Secretariat presented a number of options that had been considered, including reprogramming entirely done from the Secretariat, or the use of current revision procedure. The former was seen as inappropriate and in breaking with the Global Fund commitment to country ownership, while the latter, despite streamlining efforts incorporated into grant revision processes in the past years, too burdensome to be done at such a scale and on a short timeframe.

The Secretariat expressed preference for a modified revision process, allowing in particular for upfront TRP consultations and no review by the TRP (unless countries are opted in), and additional CCM engagement guarantees – called “enhanced” CCM engagement.

Many interventions by Board Members focused on the importance of holistic and inclusive CCM engagement, and doubts regarding the possibility of an inclusive process especially considering the timing constraints. The Secretariat provided a number of guarantees:

- The CCMs will be allowed to reallocate funding to organize consultations and additional support around the reprogramming.
- Engagement with CCMs will start early, to facilitate scheduling; and,
- Learning from earlier engagement this cycle, the Secretariat will ensure that reprogramming communication be sent to all CCM members, to limit gatekeeping.

Finally, the Secretariat highlighted its understanding that not all CCMs were even with regard to overall functioning and inclusivity, adding that it in fact monitors key CCM performance indicators. Using that information, it committed to work with country team and PRs to provide support and closer oversight of process with weaker or less inclusive CCMs.

REVISION TO THE TRP TERMS OF REFERENCE

Ahead of the Board meeting, the Strategy Committee met to discuss how the Secretariat should prepare for the upcoming Grant Cycle 8, regardless of the outcome of the Replenishment. These discussions focused on three objectives:

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 the Global Fund’s smallest portfolios through differentiating how it operates and what it does.
3. Maintaining impact in Highest Burden/Lowest Income Portfolios.

The outcome of these discussions was shared with the Board in written form. One of the key elements was the need to review, simplify, and streamline the “grant life cycle”, in other

words, making funding request development and grant making lighter and shorter. The presenter stressed that this change responded to a convergence of factors:

- GC8 is coming on the heels of portfolio-wide reprogramming
- Constant growth of the time and work required to develop funding requests. Total amount of time spent developing a Funding Request ranges for GC7 between 9,900 and 42,000 hours, depending on the type of grant.
- Relative failure of previous attempts at streamlining: Countries that made use of grant continuation, meant to allow for a lighter development process for well-performing grants, only spent marginally less time and face similar scrutiny and review from the Technical Review Panel. In GC5 a grant continuation Funding Request typically had 11 pages per components; in GC7 it had on average 54.
- The relative improvement in the quality of Global Fund investments. TRP evaluation of funding requests has steadily improved since GC4 (21% of Funding requests considered “poor” or “very poor” in GC4 vs 6% for GC7; 77% of Funding Requests recommended for grant making by the TRP right away in GC4 vs 97% for GC7).

Review of grants by the Technical Review Panel was identified as especially ripe for reform, as the system has remained essentially unchanged since its introduction over a decade ago.

The Secretariat proposed to the Board a set of changes regarding the composition of the TRP and its role in the Grant Cycle. Under its new Terms of Reference certain grants would be exempt of TRP review, or go through a lighter review:

- For High Impact and Core Grants (95% of the allocation), they would undergo TRP review, unless they are highly commoditized (with over 75% commoditization) or have high grant performance with broadly on-track indicators. In which case, they qualify for costed extensions, without TRP review, and targeted TRP reviews of specific sections of the Funding Request.
- For Focused Grants (under 5% of allocation), only transition portfolios would be reviewed by the TRP. The TRP would, however, provide guidance ahead of Funding Request development.

For all cases where countries would be exempted from TRP review, the country could still opt in by CCMs or the Secretariat; the TRP will work with the Secretariat to develop guidance on when to request such review.

The composition of the TRP itself would also change, with a smaller pool of experts, selected with an eye to maintaining diversity. The next round of recruitment for the TRP will take place in 2028.

The interventions of Board Members were largely supportive of the plans, appreciative of the work of the TRP but agreeing that the process could be cumbersome, especially for smaller grants. There were however a number of stronger remarks opposing the reform, talking about the importance of maintaining credibility – that the progress in Funding Request quality had been achieved thanks to the guardrails set by the TRP review process, and that its removal could cause one to call into question the technical soundness of grants. Moreover,

criteria triggering opting into TRP review not being included in the proposed Term of Reference was pointed out as problematic.

The new Terms of Reference for the TRP were proposed for the board as a decision point. The decision point was adopted with two abstentions.

ALL THE REST

RESOURCE MOBILIZATION

The team celebrated the first pledge of the 8th Replenishment, from the Children's Investment Fund Foundation, of \$150 million, five times their previous pledge. An update on their plans for the Replenishment campaign focused on:

- The validity of the Investment Case: changes in the funding landscape mean that overall impact estimates will be revised, but the core figures of Return On Investment and the shared vision remain the same, and valid. The modelling team is working on new estimates and will release them when ready.
- The need for an agile campaign, with more flexibility than ever, and a more cautious approach to visibility, and a different approach to a Replenishment Conference, which might be less of a focus for the pledges.

GOVERNANCE CALENDAR

The board co-chairs announced the decision to move the next Board Meeting to February 2026 (instead of November 2025) – this will compress the timeline for Funding Request Development and Grant Making, because the Board has to approve the envelopes before they go to countries, but will give more time for pledges to come in, and the lighter approval process should compensate for the delayed start.

