# DEVELOPED COUNTRY NGO DELEGATION

The brief compiles the positions and reflections shared by the Developed Country NGO Delegation and does not represent the views held by the Global Fund Secretariat or the Global Fund Board as a whole.

The Developed Country NGO Delegation attended the 53rd Global Fund Board meeting from 7-9 May, 2025 in Geneva, Switzerland. Much of the planning, preparations and groundwork for the grant re-prioritization and revisions process were done in the weeks ahead of the meeting.

# Grant Cycle 7 (GC7) Re-prioritization and Revisions

Just before the 53rd Board meeting, the Global Fund Secretariat (GFS) informed Board constituencies about delays in converting pledges, with an <u>estimated 42%</u>, or US\$6.13 Billion still pending. To avoid running out of funds, the GFS has proposed slowing down the implementation of approved grants, cutting some portion in the country grants, and reprioritizing program activities. Our Delegation is disturbed that donor withdrawal and hasty re-prioritization decisions could result in ceding ground and sabotaging three decades of progress by the Global Fund Partnership, which has saved over 65 million lives.

We called for continued involvement of civil society and affected communities at all levels of discussions around reprioritization and raised alarm at the current context where we are pressed to make trade-off decisions based on too many unknown variables. We requested the availability of funding and resources to ensure civil society and communities are involved in the preparation and planning processes. There would need to be longer periods for grant review and indirect support for community engagement.

Re-prioritization decisions must be evidence-based and science-driven. We emphasized the need to balance interventions so that the Global Fund does not become just a procurement agency for commodities. While we focus on delivering life-saving services, we must integrate equitable access. Equitable access is life-saving. The Global Fund's strengths are in addressing structural harms and social determinants of health. Funding must embed human rights, gender equality, civil society and community-led programming, and community engagement as essential parts of resilient and sustainable health

and community systems.

In multiple meetings with Secretariat departments since January 2025, and at the Board table, our Delegation raised the following priorities:

- Fund Portfolio Managers (FPMs) and Country Teams to send clear communication and detailed guidance to Country Coordinating Mechanisms (CCMs), government and civil society Principal Recipients (PRs), relevant ministries, civil society, community-based and community-led organization (CSO, CBO and CLO) sub-recipients, which may be directly impacted by the cuts and experience repercussions. This guidance on the definition and criteria for "lifesaving" must not only include commodities but also the interventions that enable access to commodities, such as removing human rights barriers and a focus on key populations;
- 2. Fund Community, Rights and Gender (CRG) programming in GC7, and as part of priorities for GC8;
- 3. Maintain Catalytic Investments (CIs) in funding scenarios less than <US\$12 Billion;
- 4. Use direct funding mechanisms for CSOs, CBOs and CLOs;
- 5. Promote and take early action to support the meaningful inclusion of civil society and affected communities in CCMs during the grant revision process and in the process for determining Grant Cycle 8 (GC8) priorities;
- 6. Provide funding for civil society and key and vulnerable populations (KVPs) in upper-middle-income countries (UMICs) in the accelerated country transitions and timeline. We are alarmed at the re-criminalization of key populations when anti-rights legislation and local ordinances are introduced and enforced;
- 7. Support civil society implementers in their role in epidemiological surveillance and early warning systems, such as emerging malaria incidence and drug resistance in displaced, conflict, and crisis settings;
- 8. Include prevention, human rights, gender equality and KVP programs as part of priorities for GC8.

Main themes at the table focused on separating the GC7 re-prioritization and grant revision process from the process of identifying GC8 priorities; converting remaining pledges for the 7th Replenishment; and increasing donor pledges for the 8th Replenishment.

Discussions at the table called for clear definitions and guidance to FPMs, MoH, CCMs on "**life-saving**" and "essential services" that include access and support for civil society and community-led programs. Life-saving measures go beyond commodities. The availability of treatments, diagnostics, and medical supplies does not guarantee accessibility – programs addressing stigma, discrimination, legal and other structural barriers are life-saving. The process requires Board oversight grounded in GF principles of governance, oversight, and programming focus using needs-based analysis. It is a redline to circumvent our principles in favor of financial expediency.

Following the meeting the <u>Global Fund announced plans to re-prioritize investments</u> in the current grant cycle (including remaining GC6 and current GC7 grants). The announcement called for the process to be "country-driven and involve meaningful engagement with civil society, communities, ministers of health, implementers, technical partners and key structures across the partnership – in particular Country Coordinating Mechanisms." The Board "stressed the importance of providing clear guidance to countries, including the criteria for re-prioritization, the scope of [*lifesaving interventions*], and the process and timelines for grant revisions." Major disruptions are expected for frontline CSOs, as well as an increased burden on staff to make revisions by <u>end-September.</u>

We requested an interim virtual session with the Board in June 2025 to follow the communication process and seek more clarity on when the TRP and Strategy Committee reviews the grant revisions.

## The Board Agenda - Decision Point

One main decision point (GF/BM53/DP03) set forth in Annex 1 (GF/B53/07), which had been approved at the 27th Strategy Committee (SC27) and of which the Developed Country NGO Delegation had been in favor, related to revisions of the Technical Review Panel (TRP) terms of reference (ToR). Our Delegation had approved the ToR changes at the SC27 before knowing the extent of the grant revisions that were planned. We have commended the expansion of technical expertise needed on the TRP to include digital health and data privacy expertise, and asked the Secretariat about the parameters for this expertise. However, in the weeks prior to the 53rd Board meeting, related to grant revisions, our Delegation raised concerns about the exclusion and reduced role of the TRP in this process. It is not possible for the TRP to review the volume of the grants, but our delegation suggested that TRP could review the grants in countries where CCMs are not functioning or where there are significant changes to the expected outcomes and / or budget. The civil society representatives on the Grants Approval Committee (GAC) could also have a more supportive role in this process, such as in the approval of grants that do not go through the CCMs, or in CCMs that do not have civil society, including KVP, representatives.

The Board decisions can be accessed by following this link.

## **Key Issues Discussed**

The Developed Country NGO Delegation gratefully acknowledges the helpful discussions and pre-meetings with the Developing Country NGO and Communities Delegations in the development of joint priorities and positions.

The Developed Country NGO Delegation renewed its commitment to the GF Partnership, its founding principles and current strategy to reach HIV, TB and malaria targets – all which inherently include affected communities and civil society as part of the model. We thanked the immense efforts of the Secretariat, Board Leadership, and the outgoing Committee leadership and membership in preparing for the Board meeting, as we now enter into a critical moment for the Global Fund and fight to protect the gains we have made towards ending HIV, TB and malaria as public health threats.

#### 2024 OIG Annual Report

Our Delegation appreciated the report, and connected the impact of the funding cuts on the capacity of implementing partners to execute programs to the OIG's concerns on fraud. As implementing partners are making re-prioritization decisions, we asked the Secretariat to consider how the OIG could use its advisory role in the current environment to provide best practices and lessons learned where possible, for example, which C19RM policies and procedures worked or did not work and whether they could be applied to GC7 rapid processes. We agreed with the OIG's stance on using different financing mechanisms, such as Results Based Financing (RBF) and innovative financing approaches that were used in Rwanda and Indonesia, and increasing and / or monitoring compliance for co-financing requirements. This approach may come with the trade-off of increasing risk appetite.

#### **Risk Management Report and Annual Opinion**

We are facing new risks, such as disruptions to supply chains, disruptions in health information systems and surveillance, treatment and diagnostics stock-outs, and increasing risks to human rights and vulnerabilities of KVPs. The risks to TB programs and HIV prevention are high, and the risk to malaria is at a crisis level since the sudden withdrawal of other public health financing.

The Risk Management Report shows how important it is for the Global Fund to clearly demonstrate its ability to deliver funds efficiently and at the pace to people and communities most in need. This has to be translated into country-level decision making. The session indicated how the Risk Appetite Framework will be reviewed and updated to ensure it remains relevant in the current context. Given the volatility in the external environment, our Delegation sought to better understand how to fully leverage risk appetite for risk-based trade-off decisions that are based on the realities in countries, and its impact on the communities the Global Fund serves. Any risk decision-making has to put communities at the center of any approach to risk mitigation and not just Geneva-level decision making.

Our Delegation supported the Secretariat's intention to review and update existing policies and frameworks to ensure they remain fit-for-purpose.

Our Delegation observes that the risk assessment for the organization in the Document, as of Q4 2024 was "High" for future donor funding. However, given the changing funding environment, **we recommended that the risk needs to be reassessed to "Very High."** We also asked whether there should be changes to Risk appetite, for example, we have been asking to include human rights and gender equality to have a risk appetite.

## **Considerations for Grant Cycle 8 (GC8)**

We thanked the Secretariat for pre-Board meetings with the Communities, Developing Country NGO, and Developed Country NGO Delegations as the Board had to make very painful decisions, and insisted on including the entire CCM, especially civil society and not just the CCM Chairs, Vice-Chairs and Secretariats, when engaging in the grant revision process. After the Board meeting, things have been moving quickly, and there's a need to handle the process with patience, grace and commitment to communities and civil society.

We recognized the need and importance of streamlining, particularly in this current climate. Looking ahead: Our Delegation stressed the **role of CRG programming in countries**, particularly for civil society and KP-led programs. We asked whether there would be support if there are financial challenges in bringing the CCMs together. With the halt on PEPFAR funding, resources and funding used to convene CCM meetings and support civil society participation are missing and alternative funding sources must be made available.

The meeting concluded with the announcement that the next Global Fund Board Meeting would be delayed from November 2025 and pushed to **February 2026** related to the grant revision process and increased workload.

#### About the Developed Country NGO Delegation

The Developed Country NGO Delegation is one of twenty voting delegations to the Global Fund Board. It plays a critical role in the development and evolution of organizational strategy, the funding model, the work of the Secretariat and policy. Delegation members are representatives of civil society organizations based in countries not eligible for the Global Fund grants. For more details on the Delegation, please visit our website, <u>www.developedngo.org</u> and on the Global Fund, please visit <u>www.theglobalfund.org</u>

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