

# DEVELOPED COUNTRY NGO DELEGATION

## Key Takeaways

*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.*

The Developed Country NGO Delegation (DevDel) attended the 52nd Global Fund Board meeting from 20-22 November, 2024 in Lilongwe, Malawi.

## The Board Agenda

The Decision Points taken at this meeting focused on Allocation Methodology (GF/B52/08B), Eligibility (GF/B52/08D), Sustainability Transition and Co-financing (GF/B52/08E), and Catalytic Investments (GF/B52/08C). The Board also approved the Global Fund Secretariat work plan and **operating expenses (OPEX) budget for 2025, which amounts to USD 346 million**, and adjustments to the risk appetite statements, which address in-country supply chain risks and grant-related fraud and fiduciary risks. The Board decisions can be accessed by [following this link](#).

## Key Issues Discussed

Discussions and pre-meetings with the additional civil society (Developing Country NGO Delegation) and Communities delegations, and several civil society organizations and community leaders working in Malawi, are gratefully acknowledged in the development of joint priorities and positions:

### 1. Allocation Methodology

The position of the Developed Country NGO Delegation is to mobilize our networks and strongly advocate in our donor capital cities to increase the total available resources for the Global Fund. **Dramatic underfunding of TB and malaria must be addressed**, given the significant shortfalls in Grant Cycle 7. For example, the underfunding in TB has resulted in funding gaps for essential commodities, such as diagnostics cartridges, and low uptake of TB Preventive Therapy for all people with TB and their household contacts, and all treatment-eligible people living with HIV, including children and adolescents.

**We are also disturbed that reduced HIV funding could derail the gains made thus far.** Persistent HIV treatment gaps will widen, AIDS-related deaths would increase, and HIV prevention efforts will stall — a precarious situation that leaves the global HIV response at high risk for resurgence, especially for children, adolescent girls and young women, and key and vulnerable populations.

The Developed Country NGO Delegation wrestled with the Allocation Methodology Decision Point. The adjusted Allocation Methodology was informed by the latest evidence of disease burden, impact, programmatic progress, key costs and financing, risks, an independent evaluation, among other factors, and deliberated at the Strategy Committee. **The Board unanimously approved the decision to provide a greater share of funding for TB and malaria for available funds for country allocations above USD 12 Billion** while protecting essential services for HIV. The target Global Disease Split of 40% for HIV, 25% for TB, and 35% for malaria should be reached at USD 17 Billion; at amounts of country allocations between USD 12 Billion and USD 17 Billion, the split changes will be defined according to a linear extrapolation; and at amounts less than or equal to USD 12 Billion, the effective split will remain from the GC7 allocation period.

We support the principles of “do no harm” to existing programs and to find solutions that work in solidarity with civil society and communities living with and affected by HIV, TB, and malaria — this option for the Allocation Methodology was considered as doing the “least harm.”

However, we have disagreed about using the Country Economic Capacity (CEC) curve to drive more funds towards lower income countries at the expense of upper middle-income and upper lower-middle-income countries, particularly in the Eastern Europe and Central Asia (EECA) and Latin American and Caribbean (LAC) regions. For our Delegation, revised CEC and the allocation shares are not about the countries, **but about the people and communities we serve.**

Our Delegation raised concerns about the heightened risk for key and vulnerable populations (KVPs) in Upper Middle-Income Countries (UMICs) and Upper and Lower Middle-Income Countries (ULMICs). UMICs make up 24% of HIV/AIDS related deaths and 18% of TB deaths. While TB related deaths are higher in the African region, there is a higher burden and larger number of people sick with TB in the Asian UMICs (WHO Global TB Report 2024). In UMICs, key and vulnerable populations are now having less access to the disease interventions, while carrying disproportionately higher disease burdens in HIV and TB. **The Global Fund cannot be seen as abandoning UMICs with high HIV and TB burdens in the next grant cycle.**

Our Delegation commits to monitoring the impact of the policy changes. After intensive discussions and in line with our constituency guidelines, **our Delegation voted to approve the adjusted Allocation Methodology** in order to move forward the work on the Investment Case.

## **2. Eligibility**

Our Delegation generally supports the Eligibility Decision Point because it provides clarity around the transition timeline; ensures that multi-country grants are not solely comprised of ineligible components; provides clarity where there is no World Bank data; and includes requirements for the Secretariat to “review eligibility requirements” related to UMICs.

## **3. Revisions to Sustainability, Transition, and Co-Financing Policy**

Our Delegation approved the STC Policy Decision Point. The classification of transitioned countries as eligible for the purposes of multi-country grants is an important mechanism for addressing emerging gaps and funding longer-term sustainability needs in recently transitioned countries. The STC Policy Revisions make the distinction between a transition and a ‘successful’ transition, and the time and components required. Our Delegation had previously requested and continues to **encourage the Office of the Inspector General (OIG) to conduct an audit of a**

**successful transition** and to share the learnings and recommendations to inform the future decision-making on the STC Eligibility Policy.

**We proposed that the Strategy Committee discuss a new multi-country modality for transitioning and recently transitioned countries** that supports community engagement with governments, advocacy for domestic resource mobilization, avenues for addressing legal barriers to social contracting, and emerging needs for key populations and human rights programming.

#### **4. Catalytic Investments in Grant Cycle 8**

Our Delegation welcomes the prioritization of catalytic investments (CIs); **CIs must be funded in any replenishment scenario**. CIs are not to be carved out of country allocations; rather they are in support of country programs, and, in many cases, directly reach countries and communities. **We encourage the Secretariat to strategize early and consult with Board Constituencies about scenarios for CIs in lower replenishment scenarios.**

We welcome the CIs on the continuation of community engagement and on human rights. Merging the CIs for “Key Populations Sustainability” and “Building Community Networks and Engagement” may be detrimental to meeting the stated objectives of these initiatives. Continuing support to community-led, key populations-led, and youth-led networks is needed — the Community Engagement Strategic Initiatives (CE SI) has been the only ‘direct funding stream’ for communities, in lieu of actual direct funding streams, and which include capacity-building and engagement strategies.

#### **5. Replenishment**

Our Delegation applauds the significant progress on the service delivery Key Performance Indicators (KPIs) but recognizes the fragility of our gains if we receive a lower or flat-funded replenishment. We are realistic that there are competing funding priorities for donor countries, but the same countries have the power to prioritize and invest in the global HIV, TB and malaria response.

Some of the biggest concerns — **resource mobilization and human rights barriers** — will not be reported until the 53rd Board meeting. Given the enormous threats in both areas, our Delegation emphasized that they remain the highest priorities for the attention of the Board and Secretariat.

We called on donors, including the largest donor, the US, to fulfil their contributions in Grant Cycle 7. Looking at the countries’ election schedules of 2024 and ahead to 2025, we support early Replenishment efforts and adapting resource mobilization strategies to the rapidly changing funding environment.

The 8<sup>th</sup> Replenishment requires a multitude of voices and to activate civil society networks beyond the ones the Global Fund normally relies on. This includes private sector engagement which complements what we bring to the table.

We cannot accept the lowest scenario – this is not a *fait accompli*. The investment case must **set a bold vision for what is possible with sustained and increased investment**. The Developed Country NGO Delegation stands with Developing Country NGO and Communities Delegations to make the 8<sup>th</sup> Replenishment a success.

## Caveats and Concerns When Approving the Decision Points

- On the STC Policy, our Delegation reluctantly came to consensus, based on discussions that the policy implementation would be monitored, particularly the impacts of transition in UMICs, and that funding modalities for KVP are considered.
- Our Delegation requested assurances that a shift to the Allocation Methodology does not come at the expense of key and vulnerable populations (KVPs) in the HIV response. Catalytic investments and qualitative adjustments must prioritize and protect funding for these communities.
- To address the concern that the Allocation Methodology would drive funds away from UMICs, we believe that more of the key and vulnerable populations and human rights modules should be covered in the cost of essential programming (CoEP) calculation. Grant funding for key and vulnerable populations is already below target, and governments in low replenishment scenarios are unlikely able to absorb funding of KVP programming — including KVPs and human rights as part of CoEP can help mitigate HIV and TB burdens in UMICs.
- On the Eligibility Policy, we proposed that the Strategy Committee discuss a new multi-country modality for transitioning and recently transitioned-countries to protect and sustain community engagement with governments, advocacy for domestic resource mobilization, addressing legal barriers to social contracting, and addressing emerging needs for key populations and human rights programming, which could include data privacy and protections related to digital technologies and AI to mitigate potential risks and online and offline harm.
- Our Delegation requested that the CI to Address Human Rights and Gender Barriers recognizes the escalating digital risks for key and vulnerable populations – including the impact of online abuse / harassment on access and freedom of expression – and the need to empower communities on their digital rights in order to enable Result 2 (“Address emerging threats to HIV KVP safety and security & increase access to non-discriminatory care”).
- On Catalytic Investments, our Delegation would like to see the STC Policy build in stronger programmatic levers to protect and maintain Community, Rights, and Gender efforts in lower replenishment scenarios.
- We encouraged the Secretariat to pursue all available channels, including the strategic use of portfolio optimization, innovative and blended financing for TB in countries where appropriate.
- With a significant portion of funding (e.g., the additional amount for the Emergency Fund) coming from Portfolio Optimization, our Delegation requested updates from the Secretariat on the direction to aggressively explore PO and prioritization opportunities, as well as information on the general thinking and strategic guidance behind the PO decisions, as this relates to “essential” programming costs. This could be addressed at the next 53rd Board meeting.
- The CI Decision Point proposes that many GC7 CI elements are to be transitioned to grants, such as community systems, digital health impact accelerator, incidence reduction, among others. We consider this to be a risky assumption. We requested the Secretariat to provide more information about the support and incentives provided for these multiple transitions; how it will transition the expertise from the Departments which oversaw them to the Country Teams; and how it will monitor the progress.
- Lessons learned from other CIs that have transitioned in a similar way, such as the one on the Country Coordinating Mechanism (CCM) Evolution, are also requested.

## **Additional Positions**

### ***Digital Health and Human Rights***

Increased digitalization and use of Artificial Intelligence (AI) are new major trends that are — and will — affect the GF Partnership and communities at the national level. It is important that the Board has the opportunity to discuss the role of digital technologies and AI, both the benefits that can be unlocked and shared by the Global Fund, for example, increased efficiencies, sustainability, and reach, as well as how to mitigate potential risks, such as online and offline harm. Our Delegation has called for all the Committees to discuss digital technologies and AI, as relevant to their mandates, in the upcoming March meetings.

### ***Joint Statement on CCMs***

Findings from the [Rise Study](#) highlight important opportunities to strengthen CCM performance and elevate community and civil society engagement within the Global Fund Partnership. Our Delegation, with DCNGO and Communities Delegations, shared a joint statement on CCMs to the Board Leadership and Board, as a best practice in health governance models for engaging civil society and affected communities. Among the recommendations, we called for the establishment of a CCM Advisory Body to support the CCM Hub and help with the strengthening of CCMs. The CCM Advisory Body should report to the Strategy (SC) and Ethics and Governance Committees (EGC), and include SC and EGC members and independent technical experts, such as CCM Chairs, Vice Chairs, and members, as well as technical assistance funders and providers.

### ***Additional Safeguard Policy***

Our Delegation welcomes the OIG's Review of the Global Fund's Additional Safeguard Policy. In the exceptional circumstances that the ASP policy is applied, a clear roadmap and exit strategy should be defined from the outset between Principal Recipient(s), CCM, Government, and civil society. Our Delegation agrees that a roadmap and exit strategy would need to account for: the country context, the flexibilities that may be required, and / or technical assistance at the outset, as well as when the country exits from ASP conditions. The ASP policy and its implementation strategy must be adapted to individual countries' context to succeed. We would also like to see the role of CCMs in countries under the ASP better defined.

### ***Public Financial Management***

To facilitate the implementation of the Allocation Methodology, Eligibility, Sustainability Transition and Co-financing, and Catalytic Investments the Board encourages the Global Fund to continue supporting countries in strengthening public financial management (PFM). PFM strives to deliver credible, priority-oriented health budgets, integrated disease programs, efficient flow of funds, effective budgeting, and strengthened accountability. Our Delegation recommended the inclusive engagement of in-country stakeholders; PFM engagement should meaningfully include and collaborate with communities, civil society, and academia that drive budget accountability and advocacy.

PFM needs to embed crucial health budget lines on community-centered delivery models and outreach to key and vulnerable populations. But PFM must also assess the risk that civil society Principal Recipients, which manage key grants on community systems, human rights and community-led service delivery, will face based on inclusion of civil society data and budgets within PFM systems in countries that are hostile to key populations, and in countries that do not fully support community-centered service delivery models. Digitalization is noted as a critical enabler for PFM — our Delegation suggests that the Global Fund play a role in promoting

responsible usage of digitalization that incorporates best practices on data protection and data security.

**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, [www.developedngo.org](http://www.developedngo.org) and on the Global Fund, please visit [www.theglobalfund.org](http://www.theglobalfund.org)

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