



Independent observer
of the Global Fund

Difficult choices: What will become of Catalytic Investments?

The Global Fund to Fight HIV, Tuberculosis and Malaria Board will meet next week, and it might be one of its most consequential board meetings since the Global Fund was founded. For the first time, it will have to contend with fewer resources than it needs to deliver an ambitious new strategy. This uncertainty is made even worse considering that it is still unknown how much of the \$18 billion described as the minimum requirements of the [Investment Case](#) is available in reality, as Italy and the United Kingdom are yet to formalize their pledges.

2020 and 2021 were the most crucial years of the Global Fund since its founding. As quickly as the COVID-19 pandemic emerged, the Global Fund had to act swiftly and decisively to understand and respond to counteract the widespread global havoc wreaked by the disease. In this regard, the Global Fund made sweeping operational changes to its way of working and took measures to understand the impact of the COVID-19 pandemic on its programs: for these steps, it must be applauded. It should be congratulated for not revising its targets for 2019 – 2022 despite not knowing the operational and political impact that COVID would have. By steadfastly sticking to its guns, the Global Fund remained bold, and this strategy paid off. Over this time, the Global Fund was able to marshal over \$4.2 billion in COVID-19 grants to countries that needed support and, crucially, to protect the integrity of the programs and investments.

Against this backdrop, the Global Fund Board approved a new strategy for 2023-2028 in November 2021. The new design of the [2023-2028 Global Fund Strategy: Combating Pandemics and Building a Healthier and More Equitable World](#) draws heavily from the lessons the institution learned throughout the COVID-19 pandemic. It renews the Fund's mandate of ending HIV, TB and malaria by centering the needs of the communities who are at the heart of its mission. Indeed, the Strategy's tagline, 'communities at the center,' supports the contributory and evolving objective of building people-centered approaches to get back on track post-COVID by leveraging twenty years of successes and lessons learned in the Fund's fight against

the three diseases.

The new Strategy also proposes fresh approaches that Global Fund and its partners must take to effectively deliver the Strategy's ambitious goal and targets. The Board understood this well, and there were a few testy discussions on critical issues such as the Global Disease Split and Catalytic Investments. Indeed, many of the Board's Constituencies were not convinced by the Secretariat's proposed overall approach to implementing the new Strategy, which resulted in the Board having to meet again for a retreat in July 2022. One of the key questions the Board wanted a response to was: What will the Secretariat do differently to implement this strategy? Given the current global context, the beginning of the replenishment campaign, an uneven global COVID recovery and, for the first time, a reversal in the gains made fighting HIV, TB and malaria, this perplexing question seemed ominous and inauspicious.

The Global Fund's answer to this question is in its proven approach which it knows works and can deliver effective support to national disease programs. As laid out in the Investment Case, the Fund knows where to invest and how to make those investments impactful. One way of enhancing the impact of country-level investments has been through the development and implementation of Catalytic Investment mechanisms. These were first introduced in 2016 when the Board approved the development of initiatives that would 'catalyze' or 'galvanize' the national programming, especially in areas that support the development of resilient and sustainable systems for health (RSSH), which were critical to meeting the goals of the 2017–2022 Strategy.

[Catalytic investments](#) are made through three modalities, Matching Funds, Catalytic Multicountry Funds and Strategic Initiatives. The [Matching Funds \(MF\)](#) modality is the provision of funds to selected countries to incentivize the programming of the country allocation towards key strategic priorities in line with the Global Fund Strategy and partner disease strategies. [Multicountry \(MC\)](#) approaches are designed to focus on a limited number of important, pre-defined areas for achieving the Strategy's goals and are best addressed at the multi-country level, especially for countries and/or regions with common issues (for example, harm reduction in Eastern Europe and Central Asia) or where many countries are transitioning from Global Fund support and may not be eligible for country-level investments. [Strategic Initiatives \(SIs\)](#) are limited funds available for centrally controlled initiatives that, due to their cross-cutting or off-cycle character, cannot be handled entirely by country allocations alone but are critical to ensuring national [programs](#) deliver on the Strategy.

The Board members and other key stakeholders such as key population networks were pleased to endorse these modalities which they viewed as long overdue and central to the Global Fund being able to deliver its mandate and mission.

For the 2023–2028 Strategy, funding for Catalytic Investments is driven by two principles: investing to maximize the impact and use of available funds to achieve the aims of the 2023-2028 Strategy; and investing in priorities that cannot be addressed through country allocations alone yet are essential to ensure the Global Fund's investments are positioned to deliver its aims. Based on these principles, the Strategy Committee developed a prioritization approach, which sets out how the Global Fund should assess the impact and operational considerations of all existing and potential new catalytic priorities for the 2023-2025 allocation period.

Table 1. Catalytic Investments prioritisation criteria 2023-2028

Catalytic Investments Prioritization Criteria for 2023-2025		GF/SC17/13
Operational	Potential for increased impact	<input type="checkbox"/> Priority area should contribute to mission critical needs in the delivery of the Global Fund Strategy in terms of: <ul style="list-style-type: none"> • A critical, underperforming or new area that contributes to Strategic Objectives and Strategic KPI's • Not sufficiently addressed by other funding sources
	Catalytic effect	<input type="checkbox"/> What is the primary catalytic effect for the next cycle? <ul style="list-style-type: none"> • More: incentivize increased funding from allocations to priority areas and/or additional funding outside of Global Fund • New: initiate new or innovative activities for more efficient and impactful programming • Improved: enable more effective use of country allocations and coordinated responses for cross-border contexts • Faster: accelerate implementation of specific priorities
	Risk if not funded	<input type="checkbox"/> Assessment of potential adverse impact of not funding the priority: <ul style="list-style-type: none"> • Direct epidemiological risk, e.g., risking incidence, resurgence, drug resistance • Programmatic risk, e.g., affecting service delivery, systems
	Effectiveness of funding as a catalytic modality	<input type="checkbox"/> Prioritization based on the degree to which investment can be made effectively based on: <ul style="list-style-type: none"> • Modality: must be implemented as set-aside funds or significant disadvantage when implemented in country allocations • Comparative advantage: an area where the Global Fund can play a central role, even with limited funds, and where there is complementarity with other partners • Competency: an area in which the Global Fund has demonstrated the ability to deliver results • Capacity: an area which the Global Fund currently has the resources to deliver results

Source: Eligibility and Allocation Review: Catalytic Investments, Country Economic Capacity, Disease Burden and Other Areas (GF/SC17/13)

This Board-approved framework established a mechanism for flexibly allocating funds under catalytic investments based on the replenishment outcomes and which effectively lays out how these investments will be made in line with the aforementioned principles and the new Strategy's priorities. The Board also considered the implementation lessons learned so far when considering how to maximize the impact of initiatives under each modality. Ultimately, this resulted in recommended catalytic priorities under different funding scenarios, as presented in the table below.

Table 2. 2023-2028 Strategy goals, objectives, priority area and funding scenarios

Strategy Goal or Objective	Priority	Indicative Modality	US\$17b and over	US\$16-17b	US\$15-16b	US\$14-15b	US\$13-14b	US\$12-13b
End AIDS	Prevention for key populations, AGYW and sexual partners	MF	\$130	\$107	\$87	\$78	\$73	\$24
	Implementation support for innovation, precision and scale in HIV prevention	SI	\$15	\$12	\$10	\$9	\$0	\$0
	Key populations sustainability and impact	MC	\$50	\$41	\$34	\$30	\$28	\$0
	HIV Incidence Reduction Total		\$195	\$160	\$131	\$117	\$101	\$24
End TB	Find and successfully treat the missing people with DS-TB and DR-TB	MF	\$200	\$179	\$161	\$152	\$123	\$82
	Scale up TB prevention	MF	\$60	\$54	\$48	\$45	\$37	\$0
	Country readiness for innovation and quality TB programming	MF	\$20	\$18	\$16	\$15	\$12	\$0
	Technical support to the TB matching funds	SI	\$20	\$16	\$13	\$12	\$11	\$0
	End TB: Accelerate progress to End TB by 2030 Total		\$300	\$267	\$238	\$224	\$183	\$82
End Malaria	Biologic threats in malaria case management in Africa	SI	\$24	\$20	\$16	\$14	\$13	\$0
	E2030: Drive towards elimination and facilitate prevention of reestablishment	SI	\$9	\$7	\$6	\$5	\$0	\$0
	Malaria Elimination in Southern Africa	MC, MF	\$16	\$13	\$11	\$10	\$10	\$0
	Resistance to Artemisinin Initiative (RAI)	MC	\$110	\$110	\$100	\$100	\$80	\$50
	Regional Coordination and targeted Technical Assistance (RCTA)	SI	\$11	\$9	\$7	\$7	\$0	\$0
	Addressing vector control threats and opportunities: supporting country readiness for an expanding toolbox	SI	\$20	\$16	\$13	\$12	\$11	\$0
	Malaria Total		\$190	\$175	\$153	\$148	\$114	\$50
Maximizing People-centered Integrated Systems for Health	Empowering regional reference laboratories and national diagnostic networks	SI, MC	\$40	\$33	\$27	\$24	\$0	\$0
	Data	SI	\$35	\$29	\$24	\$21	\$0	\$0
	Equitable access to quality health products through innovation, partnership, and promoting sustainable sourcing and supply chains at global, national and community levels (NextGen Market Shaping)	SI, MF	\$205	\$140	\$85	\$49	\$23	\$0
	Incentivizing RSSH quality and scale	MF	\$100	\$60	\$40	\$30	\$20	\$0
Maximizing Health Equity, Gender Equality and Human Rights	Effective community systems & responses (CS&R) contributing to improved health outcomes, equitable access to integrated people-centered quality services	MF, SI	\$110	\$90	\$74	\$66	\$61	\$0
	Community engagement	SI	\$20	\$20	\$18	\$18	\$15	\$14
	Scaling up programs to remove human rights and gender related barriers	MF, SI	\$60	\$49	\$40	\$36	\$33	\$20
Mobilizing Increased Resources	Health Financing	SI	\$45	\$37	\$30	\$27	\$20	\$0
End AIDS, TB, Malaria	Emergency Fund	SI	\$40	\$40	\$40	\$40	\$30	\$10
	RSSH / Cross-Cutting Total		\$655	\$498	\$378	\$311	\$202	\$44
Amounts in US\$m	TOTAL		\$1,340	\$1,100	\$900	\$800	\$600	\$200

Source: Catalytic Investment for the 2023 – 2025 Board Decision – GF/B47/04_Rev1

Of course, this decision was made with one significant caveat: the total available funds for catalytic investments would be based on the amount of available funds according to the replenishment outcome. Although this was well communicated in advance of the replenishment conference, no one really thought the Global Fund, which had earlier raised over \$4 billion between replenishment cycles for the COVID-19 Response Mechanism (C19RM), would fail to meet its replenishment target. And especially given the United States' (the Fund's biggest donor) generous offer to match 50 cents to each dollar raised: who would have guessed that despite this, we would now be facing our current predicament? These results have placed catalytic investments, which are considered an essential part of delivering the Strategy, on the chopping block, with their cross-cutting interventions facing the possibility of being completely abandoned.

The tipping point – what's at stake? And where do we go from here?

We know from constituency feedback that some countries and their beneficiary populations are only able to access services through multicountry grants – for example, the Ukraine comes to mind. As it stands, therefore, the Global Fund cannot afford to abandon its Catalytic Investment mechanisms. These approaches are crucial to delivering the next Strategy and, as a key global health institution, the Global Fund needs to become inventive. Because the Fund faces momentous challenges to ensure that it remains a credible and trusted global health partner and delivers its boldest strategy and bravest effort to date.

In this regard, we offer two mutually reinforcing perspectives. First, regardless of the outcomes, communities and their placement at the center of the organization's work up to 2030 must be the main effort. The Global Fund finally has a Strategy that focuses on the people and communities at the heart of the HIV, TB and malaria epidemics. Despite the seventh replenishment's unsatisfactory outcome, the Fund cannot backslide on this commitment. Second, the Fund needs to elevate and strengthen its work

with community partners and civil society so that it learns philosophically and in practical terms how to leverage better these actors to deliver catalyzing gains that will see it achieving the Strategy's goals in a time of increasing financial hardship. Working with communities and civil society, including its Board constituencies, must become the Fund's main effort.

[Read More](#)
