



Independent observer
of the Global Fund

Reduced Catalytic Investments for 2023-2025

Introduction

While the efforts of the Global Fund and its advocates succeeded in securing an increase in funding pledges for 2023-2025, the target was not achieved. The Global Fund's top priority was to maintain – and, if possible, to increase – country grant allocations at the levels of the 2020-2023 cycle. This has meant reducing other funding. Hence the Global Fund Board is being asked to approve a reduction in catalytic investments for 2023-2025.

Catalytic investments are of three types:

1. Strategic initiatives
2. Catalytic multi-country funds
3. Catalytic matching funds

Strategic Initiatives

In November 2019, the Board approved 19 strategic initiative workstreams totalling \$343 million for 2020-2022 to support the success of country allocations that could not be funded through country grants – see Table 1.

Table 1. Strategic Initiatives 2020-2022

GF Strategic Objective	Priority Area	Workstream	Amount (\$ millions)
Maximise impact against HIV, TB and malaria	HIV	Condom programming	5
	HIV	Adolescent girls and young women	8
	TB/HIV	TB preventive treatment for people living with HIV	5
	TB	Targeted technical assistance for innovative approaches to finding missing people with TB	14
	Malaria	Malaria E-2025 Initiative	8
	Malaria	Regional coordination and targeted technical assistance for implementation	10
	Malaria	Addressing insecticide resistance through accelerated introduction of new nets	50
	Malaria	Piloting the introduction of malaria vaccine	8
Building resilient and sustainable systems for health	RSSH	Sustainability, transition and efficiency	18
	RSSH	Data	35
Promote and protect human rights and gender equality	RSSH	Community, rights and gender	16
	RSSH	Human rights	5
		TERG independent evaluation	22
		Emergency fund	20
		CCM evolution	15
		PSM transformation	20
Cross-cutting objectives		Accelerated introduction of innovations	10
		Service delivery innovations	39
		Innovative finance	20
Total:			343

Source: Global Fund 2020-2022 Strategic Initiatives, July 2020.

The proposal now under consideration is to reduce strategic initiatives to only eight workstreams, as yet unspecified, totalling \$119 million. That will mean a 65% reduction in the amount invested in strategic investments; but, bearing in mind the impact of inflation, that will mean more like a 70% reduction in coverage. This could well put a brake on progress towards developing resilient and sustainable systems for health (RSSH).

While \$343 million was the approved total for strategic initiatives, the most recent financial report, as of 30 June 2022, presented to the 20th Audit and Finance Committee Meeting on 13-14 October 2022, shows a total of \$323 million available for strategic initiatives and forecasts a utilisation of only \$263 million by the end of 2022. On the basis of the forecast total utilisation of \$263 million for 2020-2022, the proposed total of \$119 million for 2023-2025 is a reduction of 55%.

Catalytic Multi-Country Funds

Multi-country funds were introduced to make grants available to tackle priorities in a limited number of

geographical regions. Multi-country grants are designed to accelerate the end of the HIV, TB and malaria epidemics and to strengthen health systems by tackling regional bottlenecks and cross-border issues. They have the potential to achieve impact in particular settings, especially where bottlenecks cannot be resolved by a single country application.

Applicants for funding are eligible if the majority (at least 51%) of the countries included in the funding request are eligible for funding in their own right. Applicants for multi-country funds must be either a regional coordinating mechanism or a regional entity with an independent legal personality that is not a United Nations agency or a multilateral or bilateral organisation.

There is a dire lack of data on actual multi-country funds. The most recent publicly available report on multi-country funds is the Office of the Inspector General Audit Report dated 14 February 2019; but that report includes only budget amounts: no actual grant disbursement totals are quoted.

Catalytic Matching Funds

Matching funds are designed to encourage innovative and ambitious, evidence, based approaches to increase impact in priority areas. For the 2023-2025 allocation period, the priority areas are:

- HIV: Prevention for key populations
- HIV: Prevention for adolescent girls and young women (AGYW) and their sexual partners
- HIV: pre-exposure prophylaxis
- TB: Find and treat the missing people with drug-susceptible TB and drug-resistant TB
- RSSH: Innovation fund
- RSSH: Digital health impact accelerator
- RSSH: Integrated laboratory systems strengthening
- RSSH: Scaling-up programs to remove human rights and gender-based barriers
- RSSH: Effective community-based systems and responses.

We have information on the proposed budgets for 2023-2025 matching funds in four categories:

1. Adolescent girls and young women (AGYW)
2. Human rights
3. Key populations
4. Effective community systems and responses

Programs aimed at AGYW have become a priority, yet the proposal is to reduce the total of matching funds of \$55.8 million approved for 2020-2022 to only \$8 million for 2023-2025, a reduction of 86% – see Table 2.

Table 2. AGYW Matching Funds, GC5-GC7

	GC5: 2017-2019	GC6: 2020-2022	GC7: 2023-2025	MOST RECENT TREND
Botswana	\$ 1 000 000	\$ 1 800 000		Decrease by 100% – No matching funds
Cameroon	€ 1 782 200	€ 2 266 625		Decrease by 100% – No matching funds
Eswatini	\$ 1 500 000	\$ 1 800 000	\$ 1 400 000	Decrease by 22%
Kenya	\$ 5 000 000	\$ 4 400 000		Decrease by 100% – No matching funds
Lesotho	\$ 1 500 000	\$ 1 800 000	\$ 1 300 000	Decrease by 28%
Malawi	\$ 7 000 000	\$ 6 400 000		Decrease by 100% – No matching funds
Mozambique	\$ 6 000 000	\$ 7 000 000	\$ 2 000 000	Decrease by 71%
Namibia	\$ 1 000 000	\$ 1 800 000	\$ 1 300 000	Decrease by 28%
South Africa	\$ 5 000 000			No change – Same as last cycle
Tanzania	\$ 8 000 000	\$ 10 000 000		Decrease by 100% – No matching funds
Uganda	\$ 5 000 000	\$ 4 700 000	\$ 2 000 000	Decrease by 57%
Zambia	\$ 4 000 000	\$ 3 800 000		Decrease by 100% – No matching funds
Zimbabwe	\$ 8 000 000	\$ 10 000 000		Decrease by 100% – No matching funds
TOTAL	\$ 56 282 200	\$ 55 766 625	\$ 8 000 000	Decrease by 86%

Human rights matching funds look to fair better, with a reduction of only 23% – see Table 3.

Table 3. Human Rights Matching Funds, GC5-GC7

	GC5: 2017-2019	GC6: 2020-2022	GC7: 2023-2025	MOST RECENT TREND
Bangladesh			\$ 1 000 000	First time receiving matching funds
Benin	€ 1 336 650	€ 1 087 980	€ 603 900	Decrease by 44%
Botswana	\$ 1 000 000	\$ 1 000 000	\$ 750 000	Decrease by 25%
Burkina Faso			€ 1 409 100	First time receiving matching funds
Cameroon	€ 2 138 640	€ 1 994 630	€ 1 107 150	Decrease by 44%
DRC	\$ 3 000 000	\$ 2 600 000	\$ 2 000 000	Decrease by 23%
Côte d'Ivoire	€ 2 138 640	€ 1 994 630	€ 1 509 750	Decrease by 24%
Ghana	\$ 2 300 000	\$ 2 400 000	\$ 2 000 000	Decrease by 17%
Honduras	\$ 1 000 000	\$ 900 000	\$ 500 000	Decrease by 44%
Indonesia	\$ 2 700 000	\$ 2 300 000	\$ 1 500 000	Decrease by 35%
Jamaica	\$ 1 000 000	\$ 900 000	\$ 900 000	No change – Same as last cycle
Kenya	\$ 3 800 000	\$ 3 800 000	\$ 2 000 000	Decrease by 47%
Kyrgyzstan	\$ 1 000 000	\$ 1 000 000	\$ 500 000	Decrease by 50%
Mozambique	\$ 4 700 000	\$ 4 000 000	\$ 2 000 000	Decrease by 50%
Nepal	\$ 1 300 000	\$ 1 100 000	\$ 550 000	Decrease by 50%
Nigeria			\$ 2 000 000	First time receiving matching funds
Philippines	\$ 1 000 000	\$ 1 000 000	\$ 750 000	Decrease by 25%
Senegal	€ 1 247 540	€ 1 087 980	€ 754 875	Decrease by 31%
Sierra Leone	\$ 1 800 000	\$ 1 500 000	\$ 800 000	Decrease by 47%
South Africa	\$ 5 000 000	\$ 4 000 000	\$ 2 000 000	Decrease by 50%
Thailand			\$ 1 500 000	First time receiving matching funds
Tunisia	\$ 1 000 000	\$ 900 000	\$ 500 000	Decrease by 44%
Uganda	\$ 4 400 000	\$ 4 400 000	\$ 2 200 000	Decrease by 50%
Ukraine	\$ 2 300 000	\$ 2 400 000	\$ 2 400 000	No change – Same as last cycle
TOTAL	\$ 44 161 470.00	\$ 40 365 220.00	\$ 31 234 775.00	Decrease by 23%

Most surprising is the proposed 68% reduction in matching funds for key populations – see Table 4.

Table 4. Key Populations Matching Funds, GC5-GC7

	GC5: 2017-2019	GC6: 2020-2022	GC7: 2023-2025	MOST RECENT TREND
Bangladesh			\$ 1 000 000	First time receiving matching funds
Belarus		\$ 1 000 000	\$ 1 000 000	No change – Same as last cycle
Benin	€ 1 514 870	€ 1 541 305	€ 1 006 500	Decrease by 35%
Cameroon	€ 3 653 510	€ 3 717 265	€ 2 013 000	Decrease by 46%
Côte d'Ivoire	€ 3 564 400			No change – Same as last cycle
Ghana	\$ 3 600 000	\$ 3 100 000	\$ 1 000 000	Decrease by 68%
Honduras	\$ 1 100 000	\$ 1 000 000	\$ 1 000 000	No change – Same as last cycle
Indonesia		\$ 4 000 000	\$ 2 000 000	Decrease by 50%
Jamaica	\$ 1 100 000	\$ 1 000 000	\$ 1 000 000	No change – Same as last cycle
Kenya	\$ 10 000 000	\$ 10 000 000		Decrease by 100% – No matching funds
Myanmar	\$ 6 300 000	\$ 6 300 000	\$ 2 000 000	Decrease by 68%
Pakistan		\$ 2 900 000	\$ 1 000 000	Decrease by 66%
Philippines		\$ 1 000 000	\$ 1 000 000	No change – Same as last cycle
Senegal	€ 980 210			No change – Same as last cycle
Ukraine	\$ 3 900 000	\$ 3 900 000	\$ 2 000 000	Decrease by 49%
Viet Nam	\$ 3 100 000			No change – Same as last cycle
Zimbabwe	\$ 10 000 000	\$ 10 000 000		Decrease by 100% – No matching funds
TOTAL	\$ 48 812 990	\$ 49 458 570	\$ 16 019 500	Decrease by 68%

New matching funds for effective community systems and responses are proposed for 2023-2025 – see Table 5.

Table 5. New Matching Funds for Community Systems & Responses 2023-2025 (\$ millions)

Burkina Faso	6.0
Côte d'Ivoire	6.0
Ethiopia	6.0
Kenya	6.0
Liberia	3.9
Mali	5.4
Senegal	3.8
Zambia	5.4
Total	42.5

The proposed budgets set out in Tables 2-5 total \$97.8 million. The total proposed budget for matching funds is \$266 million but information on other categories, totalling \$168.2 million (and presumably including many RSSH priorities) is not yet available.

Summary

As Table 6 shows, the proposed total budget for catalytic investments for 2023-2025 represents a reduction of 44% from the budget for the previous period.

Table 6. Comparing Planned Catalytic Investments 2022-2022 with 2023-2025

	2020-2022		2023-2025		Change	
	\$ million	%	\$ million	%	\$ million	%
Strategic initiatives	343	38	119	24	- 224	-65

Multi-country funds	230	26	112	23	-118	-51
Matching funds	317	36	266	53	- 51	-16
Total:	890		497		-393	-44
HIV	201	23	n/a			
TB	204	23	n/a			
Malaria	216	24	n/a			
RSSH and cross-cutting	269	30	n/a			

While this may be of concern to some people, especially regional organisations in need of increased multi-country funding, it is impossible to assess the potential effects of this diminution. This is because, apart from the estimated total usage of funds for strategic investments (referred to above), there are no reports available in the public domain that provide information on the actual amounts of catalytic investments and their performance. We therefore encourage the Secretariat to introduce regular reporting on spending on catalytic investments and their outcome and performance.

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