

# The 49th Global Fund Board Meeting

## The Executive Director opened Global Fund's 49th Board Meeting in Hanoi

As usual, the 49th Board meeting started with an update from the Global Fund's Executive Director (ED). He gave a brief summary of progress on some of the bigger issues faced by countries in maximizing impact, specifically:

- Update on the results for HIV, TB, malaria, resilient and sustainable systems for health (RSSH) and COVID-19 in the current grant cycle.
- The Grant Cycle 7 (GC7) process and the need for high quality grants aligned with the new Strategy.
- Resource mobilization

### Progresses to end HIV, TB, and Malaria

Peter Sands highlighted the good progresses made by many countries towards ending the epidemic: "We are on track for what is likely to be the biggest year ever in terms of total disbursements surpassing the record \$5.2 million disbursed in 2022", he said and praised "the unprecedented scale, intensity and breadth of grant implementation efforts across the partnership".

On HIV there's good news: many countries are making impressive progresses towards 95-95-95 targets, including countries with Challenging Operating Environments. Despite the disruption of COVID-19, progress can be seen in prevention and in the reduction of incidence among adolescent girls and young women, and young adults. Even in contexts affected by conflict, the resilience and creativity of civil society have been remarkable. And cooperation with the US President's Emergency Fund for AIDS Relief, PEPFAR, is better than it has never been.

Nevertheless, some serious obstacles persist, and these prevent progress: the rights for lesbian, gay, bisexual and transgender people and their access to health services, and the ability of civil society organizations to operate safely is hampered. The ED gave the example of the recently approved anti-homosexuality bill in Uganda, and acknowledged that this trend is apparent throughout the world, both in

poor and rich countries. “This is a fundamental threat to our mission and a direct challenge to our allies. Reducing stigma, discrimination and criminalization of key populations most affected by HIV is a prerequisite for beating AIDS. Punitive laws will fuel the HIV epidemic and endanger the health of entire communities,” said Sands.

There are promising signs of obstacles being addressed through good collaboration between partners such as PEPFAR and UNAIDS, with communities and other stakeholders on the ground. But the ED warned that working with grassroots communities should not further endanger the same communities we are trying to protect. The Global Fund will continue to take measurable action, together with diplomatic and private sector pressure, in order to make the necessary progress to be on track to meet HIV elimination targets. “There are no easy answers here, but I can assure you that this issue is right at the top of my agenda” committed the ED, who acknowledged that the entire partnership needs to be collectively engaged in this discussion.

Regarding TB, Peter Sands regretted the declining number of civil society actors who usually improve program quality and provide additional services to patients. Nevertheless, he celebrated the remarkable recovery in TB services after the disruption of the COVID-19. Communities have made fantastic efforts to gain the ground lost during the pandemic and data show that case notification has surpassed the pre COVID-19 heights; and we are now less likely to see less patients with TB not being diagnosed and treated: “We have actually started 2023 with more momentum on TB than frankly I would have thought possible six months ago”.

He then went on to emphasize the concerning results in the fight against malaria, as the results in incidence and deaths are “moving the wrong way”. Several constraints such as climate change, insecurity, and hard-to-reach communities make it difficult to meet targets. He reiterated the need to reinvigorate both political and technical leadership to address the increasing malaria risks related to climate change and drug or insecticide resistance and get back on track towards malaria elimination.

He urged strengthened partnerships between global players in the face of these current challenges. “We must win a better place for infectious diseases in the climate change agenda,” he said. “Malaria is the iconic example of how climate change is already affecting human health. Tackling malaria needs to be a central component of a more equitable global response to climate change.”

Nevertheless, the ED mentioned some positive practices such as the spread of dual active ingredient (AI) nets and the huge efforts made to hire more community health workers (CHWs).

On the COVID-19 Response Mechanism (C19RM) Peter Sands highlighted the investments made in risk mitigation in the context of COVID-19; C19RM played a major role in enabling this recovery. The challenge will be to sustain this momentum. Global Fund investments in pandemic preparedness approved \$547 million in portfolio optimization (grant adjustments to reprogram funds) in 2022. A new second wave of C19RM has been launched for health system investments, closing this Friday 12 May, when a further \$320 million will be awarded. He also mentioned that he hoped that the largely unsuccessful efforts to coordinate with the World Bank’s Pandemic Fund will soon be addressed, noting that this issue would be discussed later during this Board meeting.

Resilient and sustainable systems for health

RSSH investments under the current cycle (NFM3/GC6) were already more than in previous cycles; this significant trend continues under the 2GC7 2023-2025 cycle. Indeed, Peter Sands said, when one combines GC6 and GC7 investments with those of C19RM, we will see unprecedented levels of investment in RSSH. This will largely be in CHWs, surveillance, etc. and will be a bridge towards high-quality grants aligned to the Strategy.

#### Window 1 funding requests

Window 1 amounted to \$4.9 billion of country allocations. 39 out of 42 funding requests (FRs) were recommended for grant-making, representing about 37% of country allocations. The next Window closes on 29 May so the bulk of country applications will have come to the Technical Review Panel (TRP) by the end of this month.

The TRP surveyed Window 1 funding applications (which you can read about in Article 4, [Technical Review Panel's observations and recommendations on Window 1 funding applications: Part I](#)). It saw that GC7 funding requests were of high quality, with better engagement of Country Coordinating Mechanisms (CCMs). Peter Sands emphasized “how encouraging it was to see how much CCMs have taken on board the new Strategy.” There was increasing focus to community-based systems and community-based health, intensified emphasis on prevention, likewise on actions to address inequities, human rights and gender-related barriers. The TRP saw 77% of FRs which demonstrated “a strategic focus on RSSH” and hence suggesting that the new guidance, annexes and other processes relating to the new Strategy have had a positive impact. It has meant an increased burden for CCMs and Principal Recipients. But, he noted, even if CCMs have done well in coping with the process, in crafting their FRs “CCMs have also struggled with reconciling the demands of the Strategy with new or intensified priorities in multiple areas with the reality of what is essentially a flat funding envelope, with the 3.3% increase in country allocations offset in absolute terms with the reduction in catalytic investments” (see [Article 7](#) on this issue.)

He noted that this has been manifest in the Window 1 FRs, where several countries have only provided for the first two years of commodity requirements in all three diseases but especially malaria and to a lesser extent TB. This is very concerning because, while there will undoubtedly be some portfolio optimization in GC7, the unfunded Year 3 gaps already exceed what we envisage being available through this. Also reflecting this situation, the PAAR (Prioritized Above Allocation Request) is higher than we've ever seen before. Essential life-saving components have been put into PAAR.

Nonetheless, we are at a very early stage, Sands said, and there is a lot of work to be done through grant-making. There will be opportunities to mitigate some of these pressures through better prioritization and targeting of interventions. “Nonetheless, it doesn't remove the fundamental problem: with inflation and population growth, largely flat country allocations and new priorities, countries are struggling to make this equation work,” he said.

Regarding HIV in Window 1, the ED highlighted that we are seeing better prevention prioritization, including targeted interventions for key populations. However, we still see issues around whether or not the prioritization choices are driven as effectively as is needed by data and there remains a heavy focus on commodities, including prevention commodities such as pre-exposure prophylaxis.

On malaria, the trade-offs countries are facing are extremely difficult, he said. Dual AI nets are about 40% more effective than the current generation of nets yet barely cost a dollar more so it is a very cost-effective way of obtaining protection. However, the challenge is that while malaria allocations are up about 3%, in heavily burdened countries the population has increased by about 10% – making it tricky to maintain coverage levels. We have made dual AI nets a priority for NextGen market shaping through launching a

targeted tendering process leveraging a revolving facility with the ambition of scaling up production and driving down prices. The ED also talked about plans to expand seasonal malaria chemoprevention (SMC), a highly effective, community-based intervention to prevent malaria in those most vulnerable to the disease's effects.

On co-financing, Peter Sands said the Fund would provide more visibility on what commitments countries are making and what we do when they cannot fulfill them, for example, waivers and compliance. The Fund has made several changes in the context of GC7 on how it will encourage countries to commit and how to monitor their adherence. Two points, Sands said: (i) we should not kid ourselves that this is a magic bullet, that there is a lot of money out there and we only need to ask for it; and (ii) there is a huge difference between the poorest, low-income countries and the higher income ones. He gave the example of Vietnam, where per capita spending on health is \$180 per year whereas the Fund's per capita spending is under 60 cents, making the Fund's investments a fraction of what Vietnam spends on health. "I actually think we do a pretty good job in terms of our catalytic impact and shaping priorities and how we ensure that resources are directed towards the things we care about", he said, "given how little we spend in proportion to the overall total." Obviously, the situation is very different in Africa where the Fund has a large share of overall health expenditure.

As well as co-financing, the ED said, there is also a huge need for high quality technical assistance, targeted support for advocacy and institution-building, and that's where the Fund's work with the African Union, audit institutions and so on, is important. His final point on resource mobilization was that the Secretariat is already laying the groundwork for the Eight Replenishment, early though it may seem.

Future challenges to be addressed by the Global Fund

Peter Sands summarized some key issues which, he said, have a significant impact on our work going forward.

There is a "swirling set of political issues that pose significant risks for the Global Fund", Sands said. "Global health has been pushed down the political agenda, eclipsed by climate change and conflict." And within global health, it doesn't feel like HTM has regained the pole position it occupied before COVID-19. For some politicians, pandemic preparedness and response (PPR) and universal health coverage (UHC) are now higher priorities.

The global health community risks losing some of the sense of common purpose and collaboration forged during the COVID response.

Human rights for health are being challenged in both poor and rich countries which, given the communities we serve, is a big problem.

So how can we meet these challenges?

Firstly, we have to win a better place for global health and infectious disease in the climate change agenda. He again stressed the example of malaria and "how the health impact of climate change falls savagely on the poorest. One of the most tangible things that rich countries could do to address climate change would be to accelerate progress on malaria. Hence the Fund will engage much more with the climate change agenda and processes like COP28."

Second, we must counter any effects that have made PPR into a new vertical silo, affecting mostly people in richer countries. We have to keep reminding people that TB is by definition a pandemic even if it only kills the poor and marginalized, and that the pre-COVID pandemic of HIV has actually killed more people than COVID-19 and is still doing so. "We have to keep driving home the point that the best way to fight pandemics is to turbo-charge the fight against existing diseases," he said. He touched on the example of

Japan, the most successful G7 country in addressing COVID-19, building on the successful response to TB. In this regard, the UN High Level Meeting on UHC will help us to link up discussions around TB, UHC and PPR.

Peter Sands said we need to stay involved in the discussions around global health financing, in part to ensure we are not forgotten and in part to ensure that the models for financing are consistent with a rights-based, inclusive approach. We also have to ensure economically-sustainable responses.

Fourth, on human rights: we cannot stand by while precious rights are eroded. This means addressing not only the immediate challenges but thinking broadly and strategically about longer-term threats.

“We are far from perfect. Some of our processes are too bureaucratic. Some of the FR processes for GC7 may make countries think we are getting worse since the process is longer, we hear the concerns about ASP (Additional Safeguards Policy) and COVID-19 revealed that we needed to become nimbler. But one of the strengths of this partnership is that we are constantly challenging each other on how we can get better.”

He closed by thanking the partnership for its support and commitment, including the Secretariat staff, and how for him it was an “extraordinary privilege to lead this group of hard-working, talented and passionately committed people.”

Discussions and feedback from the delegations

The delegations acknowledged the excellent report and thanked the ED and the Secretariat in general for the efforts. Several concerns were raised such as:

Competing priorities in an international context that has become complex, and where efficiency and resource optimization has become a necessity. The question of health financing and decisions on investments are crucial, and the TRP has little power over this.

Co-financing is also a key issue; some members suggested that the Global Fund select and propose some areas domestic funding such as malaria, human rights, and RSSH. Sustainability remains a huge challenge: the Global Fund needs to lead on domestic engagement and co-financing, as well as being a catalyst for additional financing for health.

The reduced fiscal space makes it difficult to increase domestic resources. Tough prioritization is needed and cannot be based on a “business as usual” strategy. But this needs to be done while respecting the principles of equity and justice. However, while inflation and reduced budgetary space may be a concern, it also makes us think of more ways to increase efficiency and develop new funding approaches. This could be an important strategic shift in addressing the effects of the economic downturn and less funding for global health.

Some stakeholders raised concerns regarding the increasing gap in malaria funding, particularly high for African countries. They also raised the issue of discriminating laws towards health service provision that prevent some vulnerable groups from accessing services.

In a context of increasing competition among priorities, partnerships with other donors, such as Gavi, is key.

Some members called on the Global Fund to continue to take leadership in TB, to catalyze and draw in additional funding for TB.

Some Board members reiterated that the implementation is critical and would like to see proposals on

how to work with countries to promote ownership, sustainability, and impact.

Others stressed the need to align the Board agenda to the Sustainable Development Goals (SDGs) and the 2030 Agenda.

A zero-tolerance policy on corruption echoing the West and Central Africa region's good collaboration on accountability was suggested by Board members. This should be done with the cooperation of countries through building local capacity.

Delegations recalled that communities face similar challenges around the world in shrinking public space for civil society and communities. Human rights barriers need to be prioritized and addressed, or the goals of the Global Fund Strategy and the SDGs will probably be missed. According to them, human rights and gender mainstreaming must go from putting strategic language into action, and the Community, Rights and Gender (CRG) team is accountable for the programs implemented and their contribution to saving lives.

The role of the Global Fund in NexGen market shaping merits a separate discussion.

The World Health Organization's intervention focused on the consequences of COVID-19 lessons learned on innovations to remobilize HTM. Discussion on local/regional production and the efforts required for this is also key.

Reactions of the ED

Peter Sands thanked Board members for their very rich comments and broad canvas of issues. He acknowledged that a series of challenges encompassing co-financing, human rights, and local manufacturing must be addressed collectively, together with the partners who provide the information.

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