

Update on Resource Mobilization and the Seventh Replenishment Action Plan

46th Board Meeting

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Board Information

Purpose of the paper: To provide an update on ongoing pledge conversion and resource mobilization efforts and to seek the Board's input on the Action Plan for the Seventh Replenishment

Executive summary

Context

Over 2020-21, the Global Fund has been able to demonstrate its continued relevance and broaden our support base despite the challenging and competitive environment. However, with increasing pressure on Official Development Assistance (ODA) and Development Assistance for Health (DAH) budgets and significant domestic fiscal challenges stemming from the COVID-19 pandemic as we head into our Seventh Replenishment campaign, we will need to further strengthen our approach and be flexible and responsive to developments in Global Fund strategy discussions and the rapidly changing landscape as they unfold.

Questions this paper addresses

- A. What is the status of Sixth Replenishment pledge conversion?
- B. What are the results and some of the key lessons from ongoing fundraising efforts and how will these inform the Action Plan for the Seventh Replenishment?
- C. How is the Global Fund planning to roll-out the campaign and resource mobilization for the Seventh Replenishment?
- D. What are the anticipated risks and how is the Global Fund planning to mitigate them?

Conclusions

- A. **Status of Sixth Replenishment pledge conversion.** Conversion of Sixth Replenishment pledges into contributions is on track and remains a key ongoing priority. As of 30 June 2021, we have signed contribution agreements with 71% of public donors and 88% of private sector donors. We have secured USD 4.5 billion in public donor contributions in cash and USD 4.9 billion overall, in line with expectations for full conversion of forecasted pledges.
- B. **Results and main take-aways/lessons learned from the C19RM fundraising effort.** Since the establishment of the COVID-19 Response Mechanism (C19RM), the Global Fund has raised an unprecedented amount of additional funding of nearly USD 4 billion, compared to the previous level of USD 232 million raised between the Fifth and Sixth Replenishment Conferences. These efforts were aided by the launch of a dedicated mechanism to channel additional resources, C19RM; the Global Fund's active engagement with partners in joint fundraising efforts through the Access to COVID-19 Tools Accelerator (ACT Accelerator); and continuing to pro-actively position and communicating on the Global Fund's programs and role in the global COVID-19 response.
- C. **Overview of Seventh Replenishment Action Plan.** The Secretariat has been working on several initiatives to prepare the ground for the Seventh Replenishment, raise awareness and boost visibility for the Global Fund and differentiate the unique role of the organization in the global health sector, including the brand refresh and the 20th Anniversary campaign. In addition, work on the Investment Case for the Seventh

Replenishment has already kicked off and we continued to nurture our relationship with advocacy partners. The new structure of the External Relations and Communications Division should also help position the Global Fund for success in the Seventh Replenishment.

The primary focus of the Seventh Replenishment Action Plan over 2021-22 is to maximize the success of the Seventh Replenishment process, which will culminate in the final Pledging Conference in Q3 2022, as the pledges secured as well as the commitments of in-kind contributions and domestic resources announced during the campaign will enable the achievement of our targets for the first three years of the next Global Fund Strategy period (2023-2028). While the underlying model, key principles and core activities of the replenishment process remain unchanged, maximizing the chances of success in the Seventh Replenishment implies adjusting and adapting our approach to the challenging and rapidly evolving context. Our priorities for launching a successful campaign and resource mobilization effort include:

- (a) Executing **a comprehensive and well-coordinated Seventh Replenishment campaign** anchored around the Replenishment Conference in the second half of 2022 and a Preparatory Meeting earlier in the year;
- (b) Building on the technical work currently being undertaken, **developing a compelling narrative for the Investment Case and campaign**;
- (c) Mobilizing support through **a dynamic, creative and robust replenishment communications campaign** that builds on the brand refresh and 20th Anniversary campaign while also highlighting key thematic priorities and is supported by **differentiated communications strategies across prioritized donor markets** from now to Q3 2022;
- (d) Ensuring **targeted engagement and excellent relationship management with public donors**, including the host country, to sustain and increase contributions;
- (e) Ensuring **targeted engagement and excellent relationship management with private sector partners**, to sustain and continue to grow new donors and partners to the Global Fund;
- (f) Demonstrating **the catalytic effect of the Global Fund on domestic resource mobilization** by enhancing the Global Fund's overall engagement on health financing and maintaining an ambitious approach to domestic co-financing;
- (g) Expansion of **partnerships with Multilateral Development Banks (MDBs) to leverage co-investment and crowd in additional resources** for health and the three diseases; and
- (h) **Further strengthening and growing the Global Fund's advocacy eco-system** in the context of an increasingly competitive and complex landscape and decreasing external support available for advocacy for the Global Fund and the three diseases.

D. **Overview of risks and mitigations.** The current volatile environment increases the likelihood and impact of inherent risks to the Global Fund's resource mobilization activities. The Secretariat has put in place measures to mitigate and address them, as

far as they are in our control, both within the external relations and communications function and in other parts of the Secretariat.

Input sought

This paper provides the Secretariat's regular update to the Board on resource mobilization matters and presents, for the Board's input, an overview of the Action Plan for the Seventh Replenishment.

Input received

At its 17th meeting in October 2021, the Audit and Finance Committee (AFC) expressed its support for the Seventh Replenishment action plan and recognized the progress on pledge conversion for the Sixth Replenishment, including the unprecedented amount of additional funding raised during the replenishment period. Committee members also welcomed the role of communities and civil society in the Seventh Replenishment action plan. The AFC received clarifications on non-ODA funding, transitions in donor governments and co-financing risk mitigation.

At its 16th AFC meeting in July 2021, the AFC highlighted the Seventh Replenishment and resource mobilization as key areas of interest for the AFC for the remainder of 2021 and in 2022.

During its 45th meeting in May 2021, the Board congratulated the Secretariat for the successful pledge conversion efforts to date, with follow-up questions on the slight slowdown in the number of signed contribution agreements at the end of 2020. The Board also urged the Secretariat to rapidly initiate its advocacy efforts around the Seventh Replenishment and asked for a costed workplan on this process to be shared with the AFC during its October session. Some constituencies indicated that the focus on COVID-19 should not distract the Secretariat from Seventh Replenishment preparations. Additional information was requested around the amount of resources the Global Fund needs to mobilize in 2021-2022 for C19RM and ACT-A.

Context

1. Over 2020 and the first nine months of 2021, the Global Fund has mobilized significant additional resources for the COVID-19 Response Mechanism (C19RM) while ensuring that donors' Sixth Replenishment commitments are being converted. In addition, we have also started building the ground-work for the Seventh Replenishment through our continued engagement with donors and partners; by launching a brand refresh and the Global Fund's 20th Anniversary campaign that we developed and amplified with the help of advocacy partners; by positioning the Global Fund at high-level political platforms; and by further strengthening collaboration and engagement on advocacy and resource mobilization with partners across the global health landscape and beyond.
2. Leveraging the increased attention and dynamism in global health in support of the Global Fund's mission and role in the COVID-19 response, the Global Fund has been able to demonstrate its continued relevance and broaden our support base despite the challenging and competitive environment over 2020-21. Nevertheless, we expect the Global Fund's Seventh Replenishment will take place in a context of increasing pressure on Official Development Assistance (ODA) and Development Assistance for Health (DAH) budgets and significant domestic fiscal challenges stemming from the COVID-19 pandemic. The Global Fund's approach will need to be flexible and responsive to developments in Global Fund strategy discussions and the rapidly changing landscape as they unfold, in particular: the evolution of COVID-19 pandemic and its impact of HIV, tuberculosis and malaria programs and wider health systems, the role the Global Fund is playing in the global response to the crisis; broader global health architecture discussions, including the future framework for Pandemic Preparedness and Response (PPR), and the extensive challenges in meeting the targets of the Sustainable Development Goals (SDGs), especially SDG 3.
3. With about a year to go before the Seventh Replenishment Conference, which is expected to take place in Q3 of 2022 and where pledges representing the bulk of the resources for the first three years of the next Global Fund Strategy are expected to be announced and consolidated, it is an opportune time to take stock of the results and lessons from our recent fundraising efforts, the challenges and opportunities that lie ahead and present the Secretariat's Action Plan for the Seventh Replenishment for the Board's input.

Sixth Replenishment pledge conversion

4. **Financial pledges.** Conversion of Sixth Replenishment pledges into contributions is on track and remains a key ongoing priority. The Global Fund has signed agreements with 71% (41 of 58) of public donors as of 30 June 2021. For the most part, public donors have signed agreements with multi-year payment schedules (32 of 41). Signed contribution agreements are in place for 88% of private sector pledges. Contributions of USD 4.5 billion from public donors and USD 4.9 billion overall have been secured in cash, in line with expectations for full conversion of forecasted pledges.

While payment delays or defaults resulting from the COVID-19 crisis cannot be excluded, controls and mitigations on pledge conversion have been tightened and additional measures put in place as part of the Secretariat's contingency plan. The

continued support and advocacy from Board and Committee members will be critical in ensuring timely pledge conversion in addition to the mobilization of advocacy partners, including civil society organizations, communities, members of parliament and champions.

5. **In-kind/innovation partnerships with the private sector.** Out of the 13 non-financial pledge partnerships, all have contribution agreements in place, and 91% have ongoing workplans and 75% have started in-country or research implementation. One example is the completion of Microsoft Research's landscaping of digital tools in the fight against tuberculosis in 13 high-burden countries which will be launched at the Union Conference in October 2021.

Results and main take-aways from the COVID-19 response mechanism fundraising effort

6. **2020-2021 resource mobilization context.** The Global Fund's resource mobilization activities normally continue in-between replenishments, but the 2020-21 period has been unique because while COVID-19 disrupted our usual way of working with donors, it also offered unprecedented opportunities for engagement. To support the global response to the crisis, the Global Fund was able to raise an unprecedented amount of additional funding of nearly USD 4 billion, compared to the previous level of USD 232 million raised between the Fifth and Sixth Replenishment Conferences.
7. **Resource mobilization outcomes.** In 2020, The Global Fund secured a total of USD 259 million in contributions from donors for C19RM, allowing the Global Fund to sustain its support to countries beyond the initial funding envelope of USD 500 million. This included new pledges from Canada, Denmark, Germany, Italy, Norway and Sweden. The FIFA Foundation pledged USD 1.5 million, which unlocked a further USD 1.5 million from an anonymous donor, and signalled its intention to build a longer-term strategic partnership with the Global Fund.

In 2021, as part of their support to ACT-A, Germany pledged an additional EUR 140 million, the Netherlands committed EUR 12 million, and Switzerland confirmed a contribution of CHF 50 million to C19RM. Additionally, with the adoption of the American Rescue Plan Act, the U.S. committed USD 3.5 billion in support of the Global Fund. In total, additional pledges have reached nearly USD 4 billion over 2020 and the first half of 2021.

On the private sector side, (RED) is continuing to mobilize partners to support C19RM. The Global Fund is launching a new High Net Worth Individual (HNWI) workstream aiming to increase philanthropic contributions, focusing on the US and Gulf regions. Private sector partners have also taken part in key events and calls to action in support of the Global Fund, including roundtables with HNWIs, Friends of the Global Fight U.S., Gulf private sector, and foundations. The Secretariat has also been leading discussions with WEF and Goal 17 to develop thinking and reimagining private sector partnerships in the context of COVID-19. It has provided a number of case studies based on the Global Fund's experience, and will participate in a number of events to mobilize greater and more private and cross sector engagement. The recent announcement of a USD 50 million investment in community health by the Lives and Livelihood Fund (a blended

highly concessionary debt fund supported by the Islamic Development Bank, the Bill and Melinda Gates Foundation and others) in Benin was facilitated by and coordinated by the Global Fund.

8. **Fundraising success factors and areas for improvement.** The following paragraphs lay out some of our observations regarding what has worked well in terms of fundraising for C19RM that we can build upon for the Seventh Replenishment, and what we need to do differently going forward.

(a) **Launching a dedicated mechanism to channel additional resources.** Clarity of the Board's decision on additional funding being channelled to C19RM and the modalities of the mechanism preserved our non-earmarking approach and safeguarded our model's country driven nature and emphasis on multi-stakeholder engagement, allowing countries to decide how to prioritize the additional funding between direct COVID-19 response and mitigation of its impact on HIV, TB and malaria and broader health programs based on their contexts and needs. This also facilitated our ability to participate in joint fundraising activities with partners, particularly in the context of the ACT Accelerator platform, because there was alignment between the objectives of C19RM and the ACT Accelerator, and as C19RM offered a distinct channel for countries to access the funds raised through these joint fundraising efforts. This also alleviated concerns of some around limited engagement of implementing countries and communities in decisions on allocation of COVID-19 resources.

(b) **Playing a leading role in joint resource mobilization efforts with ACT Accelerator partners and integrating the Global Fund ask within a broader global health partnership-wide appeal.** The Global Fund continues to play an active role in the ACT Accelerator, collaborating with partners in joint advocacy and donor outreach, including for the recently launched Rapid ACT-Accelerator Delta Response (RADAR) urgent appeal, the development of the ACT Accelerator's strategy and budget for 2022 and the ACT Accelerator strategic review. As part of an effort to coordinate resource mobilization by ACT Accelerator partners and more than any other partner, the Global Fund led/co-led on eight of the market calls, which guided and facilitated fundraising for the ACT Accelerator response. We also participated in market calls led by others. The Global Fund also supported the ACT Accelerator partnership's communications and advocacy efforts as well as outreach to donors and stakeholders through multiple joint external events to explain the global response to the pandemic.

By supporting the deployment of COVID-19 diagnostics (AgRDTs and PCRs), therapies (oxygen and other WHO-approved treatments) and personal protective equipment (PPEs), the resources raised and channelled through C19RM have reduced the funding gap for the ACT Accelerator's Diagnostics and Therapeutics Pillars and the Health System Connector. In addition, significant resources have also been raised to support other ACT Accelerator priorities being rolled-out by other ACT Accelerator partners, such as R&D, market readiness and demand generation for all COVID-19 tools, Vaccine development and roll-out and other health systems-related components. However, there remains a very significant funding gap for 2021 and estimates of funding needed for 2022 are now being reviewed.

From the Secretariat's perspective, although the experience of joint fundraising in the ACT Accelerator context has been positive overall, it also presented several challenges. While there is good traction and support across members of the OECD-DAC, there have been mixed results at best with non-traditional funders (non-OECD-DAC, private sector, etc.). High-level outreach by ACT Accelerator Facilitation Council co-chairs catalyzed political support but unlocking additional required funding has proved to be more challenging. There have also been inconsistent reactions from donors on the estimated funding needs as well as uneven attention and funding given across the different tools, with greater emphasis and interest in vaccines. Despite efforts to clearly present the ACT Accelerator platform and delineate roles and responsibilities of the partner agencies, there continued to be confusion among donors and partners especially on how funding is mobilized and allocated across ACT Accelerator priorities.

- (c) **Adapting our approach to donor engagement and advocacy to a virtual environment presented** both challenges and opportunities. Operating through virtual modalities has enabled quicker and more flexible access to Ministers and private sector leaders while also enabling the engagement of a broader range of community and civil society stakeholders, but the personal engagement and informal discussion that in-person meetings can provide have also been missed. Increasingly, we observe a degree of fatigue with regards to online events and speeches, even from Heads of State and high-level officials. Advocacy partners, including civil society and communities, are also experiencing fatigue with virtual meetings.

While at the beginning of the crisis, there was a lot of good will to stay connected through video calls, these efforts have been slowing down in recent months even as travel and in-person engagement have not yet resumed. It is harder to stay connected with staff in donor countries and advocacy partners – including many who are relatively new to the Global Fund. Going forward, we need to further step up onboarding efforts and ensure that realities in-country continue to be front of mind of stakeholders, including through creative means. We need to think through how to optimize use and strike the right balance between virtual and in-person engagement modalities, as conditions permit, while rolling out the Seventh Replenishment campaign.

- (d) **Continue to pro-actively position and communicate on the Global Fund's programs and role in the global COVID-19 response.** The Secretariat ramped up our communication efforts, packaging and disseminating impact stories and ensuring voices from the frontline were heard. The Secretariat worked closely with implementers, civil society and communities to mobilize and share the impact stories. For instance, we documented the arrival of crucial COVID-19 tests in South Africa, highlighted the adaptation of HIV programs for adolescent girls and young women in Eswatini, and interviewed the director of the National Agency to Control AIDS in Nigeria on the country's experience fighting COVID-19 with the Global Fund's support. In addition, we developed a series of advocacy tools, including explainers and infographics, showcasing the work of the Global Fund in fighting the pandemic. Working with ACT-Accelerator partners, we also produced co-branded content and ensured broad amplification on social media. In addition, we facilitate

wide access to information on the Global Fund's COVID-19 investments by creating a COVID-19 section on the Global Fund website.

The Results Report 2021, which was launched 8 September, highlighted the severe impact of COVID-19 on the fight against HIV, TB and malaria, and the Global Fund's rapid response to support countries to fight the new pandemic and mitigate the impact on HIV, TB and malaria programs. It achieved an unprecedented media coverage around the world, with more than 1,400 mentions across 81 countries, reaching 3.4 billion people. Communications around the Results Report as well as the upcoming Strategy will contribute to position the Global Fund as a critical player in global health and pandemic preparedness and response, highlight our progress and expertise, and prepare the ground as we head into the Seventh Replenishment.

Action Plan for the Seventh Replenishment

17. The primary focus of the Seventh Replenishment Action Plan over 2021-22 is to maximize the success of the Seventh Replenishment process, which will culminate in the final Pledging Conference in Q3 2022, as the pledges secured as well as the commitments of in-kind contributions and domestic resources announced during the campaign will enable the achievement of our targets for the first three years of the next Global Fund Strategy period. The plan comprises several pre-launch activities and eight key Seventh Replenishment priorities.
18. **Pre-launch activities.** The Secretariat has been working on several initiatives to prepare the ground for the Seventh Replenishment, raise awareness and boost visibility for the Global Fund among key audiences and differentiate the unique role of the organization in the global health sector. These include:
 - (a) The Global Fund **brand refresh**, launched in June, leverages the Global Fund's impact record and diverse stakeholder-base, and aims to position the organization for success in a rapidly changing world. Without changing the essence and core values of the Global Fund, the refreshed brand updates the Global Fund's visual identity to ensure it reflects the vibrancy of the partnership and adapts it to current and emerging digital platforms. This workstream produced refined core messaging and a new visual identity, which were rolled out across various channels (website, intranet and newsletter); brand assets (templates, marketing collateral and communications content); social media platforms; and operational materials (live documents across the organization). The Seventh Replenishment campaign will build on this refreshed brand and adopt a similar look and feel.
 - (b) The Global Fund's **20th Anniversary campaign**, also launched in June at the UN High-Level Meeting on HIV/AIDS, brings the Global Fund's refreshed brand to life, and showcases two decades of impact through inspiring stories and achievements from across the partnership. Through a series of powerful communications tools—including a flagship campaign film, video messages of support from high-profile influencers, and stories from the people, across the partnership, who through their commitment and hard work have been part of the journey for the last two decades—the objective of the six months-long anniversary campaign is to create an emotionally charged narrative that energizes our key audiences, attracts and engages a wider

support base, and leverages key global platforms like the G7, the G20 and UNGA. Civil society and communities also organized a series of events that focused on the 20th Anniversary. These were rolled out in collaboration with Ministries of Health under the banner of the Global Fund 20th Anniversary Torch Caravan, which has already travelled through 10 countries.

- (c) The development of the **technical components of the Investment Case** for the Seventh Replenishment has also kicked-off. The first Modeling Guidance Group meeting was held on 27 and 28 April with broad partner participation, when the overall approach to disease modelling was endorsed by partners. Key stakeholders also provided input on additional analytical work to be undertaken to complement the disease modeling as well as updates on the respective global plans. As the work on the Investment Case advances in the coming months, the Secretariat will ensure close alignment with the discussions on the next Global Fund Strategy.
- (d) **Nurturing of the advocacy network** and ensuring stakeholders know what the Global Fund has been doing and why. Over 2020-21, regular calls and briefings were carried out with advocacy partners to ensure regular exchange and updates on the roll-out of the Global Fund's role in the global COVID-19 response and the growing threat that disruption due to COVID-19 represents to HIV, TB and malaria programs. These included calls with the Global Fund Advocates Network (GFAN), grassroots outreach, regular discussions with Friends organizations and with relevant civil society groups and networks (at national or regional level), including those living with the diseases as well as collaboration on outreach to parliamentarians and decision-makers in donor capitals and implementing countries.
- (e) The Secretariat also embarked on **the transformation of its external relations and communications functions**, which were merged under a single business unit – the External Relations and Communications Division (ERCD) - in June 2020. Following the launch of the ERCD Transformation in April 2021, the new structure is now in place and is expected to be better equipped to mitigate the risks associated with significant donor portfolios, address a more challenging and competitive fundraising landscape, and more effectively position the partnership in a fast-evolving global health landscape.

19. **Seventh Replenishment Action Plan priorities.** While the underlying model, key principles and core activities of the replenishment process remain unchanged, maximizing the chances of success in the Seventh Replenishment implies adjusting and adapting our approach to the challenging and rapidly evolving context. Our priorities for launching a successful campaign and resource mobilization effort include:

- (a) Executing **a comprehensive and well-coordinated Seventh Replenishment campaign** anchored around the Replenishment Conference in the second half of 2022 and a Preparatory Meeting earlier in the year:
 - Announcement of hosting as a high visibility political moment to set the tone for the campaign;
 - Launch of the new Global Fund Strategy and of a credible Investment Case that supports the replenishment target and lays out what can be achieved;

- Building visibility and knowledge about the Global Fund through active engagement in high level meetings over 2021-22;
 - Excellent advanced planning and logistics for key meetings and related events; and
 - Working with hosts and key supporters to build commitment and momentum with current and potential donors and high-level attendance at the final meeting.
- (b) Building on the technical work currently being undertaken, **developing a compelling narrative for the Investment Case and campaign** that:
- Delineates a credible and feasible case for investment, illustrating the required funding levels over 2023-25 to achieve the goals and objectives that will be agreed in the context of the new Global Fund Strategy and ensure that we are on the trajectory to achieve SDG 3 targets by the end of the strategy period;
 - Illustrates clearly through the Investment Case and related communication materials how the contribution of the Global Fund portfolio fits within the broader goals for health, including resilient and sustainable systems for health and pandemic preparedness and response, as well as the broader SDG roadmap;
 - Considering the latest Results Report, makes a strong and credible case for the effort needed to gain back the lost gains due to the knock-on impact of the COVID-19 pandemic on HIV, TB and malaria and broader health programs;
 - Demonstrates the Global Fund's progress and leadership in strengthening coherence and collaboration across the global health landscape, both at country level and at the global level.
- (c) Mobilizing support through **a dynamic, creative and robust replenishment communications campaign** that builds on the brand refresh and 20th Anniversary campaign while also highlighting key thematic priorities and is supported by **differentiated communications strategies across prioritized donor markets** from now to Q3 2022. In particular:
- Rolling-out a robust media engagement plan;
 - Creating a suite of compelling multimedia assets for use across multiple platforms to amplify the Investment Case messaging and build momentum and support;
 - Developing core documents to support the roll-out and use of the Investment Case for staff and partners, including: key messages and talking points; Q&A; methodology explainer; news release; op-ed(s); communications toolkit;
 - Mobilizing and equipping our trusted spokespeople and champions with engagement opportunities and tools to support our campaign;
 - Recruiting new champions and key influencers and jointly exploring with them new and innovative ways to expand the reach of our campaign;
 - Engaging the Global Fund Secretariat staff in the campaign.
- (d) Ensuring **targeted engagement and excellent relationship management with public donors, including the host country**, to sustain and increase contributions through:

- A dedicated strategy and engagement plan to secure a host country for the Seventh Replenishment Conference and ensure strong leadership and high-level political engagement in the campaign and resource mobilization efforts;
 - Focused engagement with decision-makers and budget-holders in donor capitals and timely provision of needed information and data, especially for donor reporting, reviews and assessments, including the Multilateral Organization Performance Assessment Network (MOPAN) Assessment which is currently underway;
 - Strengthened outreach to new/returning public donors to ensure they have the materials and arguments needed to justify new and increased funding and expanded engagement with emerging economies to encourage their co-investment with and financing to the Global Fund. This will include reinvigorating discussions around the governance role and visibility of new/emerging donors;
 - Effective advocacy with and support to parliamentarians and leveraging inter-parliamentary platforms in efforts to ensure funding commitments to the Global Fund through in-person and virtual briefings, joint site visits, events, etc.;
 - Energetic engagement and complementary campaigning with civil society advocates and supporters to ensure aligned messaging and effective timing of interventions, events and visibility moments.
- (e) Ensuring **targeted engagement and excellent relationship management with private sector partners**, to sustain and continue to grow new donors and partners to the Global Fund through:
- A dedicated strategy and engagement plan with existing partners and donors to grow the scale and ambition of commitments. Building on the successful conversion of Sixth Replenishment pledges, particularly demonstrating the core value add of catalytic investments. Ensuring timely and relevant provision of needed information and data, especially for donor reporting and other requirements;
 - Strategic outreach to potential new donors, with a focus on a new HNWI/Foundations strategy to grow the diversity of private sector support, which is strongly linked to the positioning of the Global Fund as a core pillar of the global health architecture. Leveraging the existing partners and donors as advocates for support to the Global Fund, again especially in terms of providing support for risk and innovation spaces;
 - Building on the increased awareness of global health as an economic and business issues, continue to highlight the powerful cross sectoral nature of the Global Fund, including its leadership in public private partnership;
 - Increasing the definition of and commitments to critical impact areas or problem statements, such as digital health. Steering private sector-led investments (financial and non-financial) in innovations and capacities to design new models, technical assistance, capacity building and accelerate innovation;
 - Increased collaboration and complementary campaigning with civil society advocates and supporters, as well as coordination with public donors to mobilize increase private sector engagement.

- (f) Demonstrating **the catalytic effect of the Global Fund on domestic resource mobilization** by enhancing the Global Fund's overall engagement on health financing and maintaining an ambitious approach to domestic co-financing. The creation of a new Health Financing Department aims to streamline and enhance Global Fund efforts in the domestic resource mobilization space, including through:
- Continued robust implementation of the co-financing policy, including supporting countries to realize co-financing commitments;
 - More intentional and demand driven technical support in priority thematic areas (such as NHIS/HBP design; strategic purchasing and performance based financing; public financial management; allocative and technical efficiency interventions, etc.);
 - Better generation and use of data and analytics, working together with partners in USG/PEPFAR/PMI, WHO, BMGF, etc. to improve alignment and increase visibility of domestic spend;
 - Boosting evidence-informed advocacy for DRM with a focus on leveraging critical platforms such as SFHA, AU/ALM as well as national dialogues, parliamentarians and building CSO budget awareness;
 - Enhanced focus on strengthening Value for Money of domestic health financing and institutionalizing this approach at the country level, with the acknowledgement that in the current climate identifying, realizing and reinvesting efficiencies will be just as important as additional financing, and critical to sustaining gains.
- (g) With the new Health Financing Department, support the expansion of **partnerships with Multilateral Development Banks (MDBs) to leverage co-investment and crowd in additional resources** for health and the three diseases:
- Given the current climate, there is a unique opportunity to work together with partners to channel record levels of debt and borrowing toward unmet need, and crowd in additional resources for health and the programmatic priorities essential to the Global Fund's objectives, particularly where there are financing gaps (i.e., TB) as well as in challenging operating environments (COEs). This includes exploring new and strengthened partnerships with MDBs for joint investments and leveraging the Global Fund's significant experience in operationalizing Debt 2 Health;
 - Revisiting and strengthening the Framework Agreement with the World Bank to operationalize additional joint financing transactions and loan buy downs, bringing in the private sector as needed;
 - Taking advantage of the incoming World Bank Health Nutrition and Population leadership and the G20 High Level Independent Panel (HLIP) recommendations on the financing of PPR through more concessional loans, global public goods and grant/loan blending modalities, to position our innovative finance agenda as potential path to attracting additional resources for health systems and preparedness;
 - Explore new and strengthened partnerships with MDBs, including the Islamic Development Bank and Asian Infrastructure and Investment Bank, to drive programmatic results in key priority areas, such as procurement and supply

- chain; community health workers (CHWs) and digital surveillance through blending loans and grants;
- Close coordination with the IMF is also proving productive, not least with their economic team who have been very helpful in providing justification for the return on investment of combating COVID-19 and ensuring wider investment in health. Building out this cooperation could be extremely beneficial.
- (h) Since its creation, the Global Fund has benefitted from and contributed to the development of a vast and vibrant civil society advocacy ecosystem, which has proven to be the cornerstone of the Replenishment process. Further **strengthening and growing the Global Fund’s advocacy eco-system** in the context of an increasingly competitive and complex landscape and decreasing external support available for advocacy for the Global Fund and the three diseases will require:
- A more deliberate and pro-active strategy for supporting and expanding our advocacy partnerships, with specific attention given to youth, gender, women, Sexual and Reproductive Health Rights (SRHR) groups and networks, as well as those working on pandemics more generally, such as the Pandemic Action Network, and those working on the interface between climate and health;
 - Working closely with advocacy partners to mitigate the threat of shrinking resources for civil society advocacy work, which has been exacerbated by the COVID-19 pandemic, including by strategically investing in our advocacy partnerships;
 - Continuing to provide high quality communications tools and products that advocates can leverage and amplify for their own advocacy and campaign efforts and to amplify partners’ campaigns and communications in support of the Global Fund replenishment; and
 - Further strengthening our coordination efforts to jointly leverage high-level political platforms and high visibility events at the global, regional and national level to showcase the Global Fund partnership.

Risk management and resourcing

20. **Risks and mitigations.** The current volatile environment increases the likelihood and impact of inherent risks to the Global Fund’s resource mobilization activities. With respect to the replenishment and fundraising for the Global Fund itself, some of the most critical risks include:
- (a) A negative shift in sentiment towards the Global Fund amongst major donors, whether due to shifts in national politics or international priorities, fatigue with the three diseases, reprioritization of allocations within health and vis-à-vis other SDG priorities, or reductions in ODA more generally as a result of budgetary pressure or domestic politics;
 - (b) Perceived underperformance of the Global Fund, particularly with relation to the Strategy 2017-22 targets and the C19RM, concerns about the absorption of funds, or misunderstanding and misperceptions related to the Global Fund model;

- (c) Perceived de-prioritization or lack of responsiveness by the Global Fund to issues of concern/priority to donors (for e.g. PPR, RSSH, gender equality, geographic focus areas, climate change and the environment, PSEAH, etc.);
- (d) Mismanagement or misuse of funds in Global Fund supported programs or any other issue that may result in damage to the Global Fund's reputation or credibility;
- (e) Competition for resources with other existing/new institutions or new priorities;
- (f) Tension between multilateral and bilateral funding options in key donor countries;
- (g) Over-reliance on too narrow a funding base;
- (h) Increased competition for, as well as major demands for COVID-19 mitigation and recovery funding, for private sector donors;
- (i) Significant disruption to travel, staff availability and events planning due to COVID-19 related restrictions and mitigation measures;
- (j) Under investment in resource mobilization activities leading to inadequate engagement of key decision-makers and influencers, or weak advocacy through civil society or the media.

The Secretariat has put in place measures to mitigate and address these risks, as far as they are in our control, both within the external relations and communications function and in other parts of the Secretariat. The Secretariat's assessment of the 'Future Funding' risk, together with mitigations and assurances, are summarized in the Organization Risk Register and included in the Semi-Annual Risk Management Report (GF/B46/19).

21. **Resourcing.** As part of the Secretariat's enhanced corporate planning and budgeting exercise, the core costs related to the Seventh Replenishment have been discussed and integrated into the Secretariat's OPEX request for 2022 presented to the AFC and Board during their fall meetings (GF/B46/02). The enhanced mitigation measures and additional investment in the external relations and communications function, including through the ERCD Transformation, since the Sixth Replenishment provide a strong foundation for the future campaign and have proved their worth during 2020-21 fundraising efforts. Funding needs will be reviewed for potential reallocation during the corporate reforecasting process throughout 2021-22 given the unpredictable nature of the fundraising environment. In addition, more than purely virtual or purely in-person events, hybrid events need technological infrastructure, tools and products and the additional cost will only be partially off-set by the reduced costs for venue hire, travel, accommodation and other logistics related to large high-level in-person events.
22. Given overall expenditure constraints, further consideration of additional investments in the Seventh Replenishment Action Plan, including risk mitigation, will need to be balanced against investments on core program delivery and risk management and mitigation, since so much of our investment case rests on our ability to assure proper use of resources and consistently delivery of impact against our strategic targets.

Next steps

23. The Secretariat will take account of the input from the AFC and Board on the proposed priorities as we finalize and roll-out the Seventh Replenishment Action Plan. We will also provide regular updates to the AFC and Board on the plan's implementation at their next meetings. The support from the Board and the AFC will continue to be crucial in

mitigating the risks deriving from the COVID-19 crisis and in raising the additional resources needed to enable the Global Fund to play its part in the global pandemic response. Similarly, the Board and the AFC's support and guidance as we roll-out the Seventh Replenishment campaign in 2022 will be of critical importance.

Annexes

Annex 1 – Summary of Committee inputs

17th Audit and Finance Committee Meeting, October 2021. During its 17th meeting, the AFC expressed broad support to the Secretariat’s pledge conversion and ongoing resource mobilization efforts as well as the Action Plan for the Seventh Replenishment. The recognition of the role of civil society and communities in the replenishment was welcomed. The Committee received clarification about risk mitigation with relation to domestic resource mobilization and key donor government transitions and how the Global Fund plans to leverage non-ODA sources of funding during the Seventh Replenishment.

16th Audit and Finance Committee Meeting, July 2021. During its 16th meeting, the AFC did not have a session on resource mobilization but noted that resource mobilization and the Seventh Replenishment will be key areas of focus going forward.

15th Audit and Finance Committee Meeting, March 2021. During its 15th session, the AFC inquired about the implications of the ACT Accelerator’s Revised Strategy and Budget for 2021 on the Global Fund’s resource mobilization efforts.

14th Audit and Finance Committee Meeting, October 2020. During its 14th session in October 2020, the AFC inquired about the role of the Global Fund in ACT Accelerator and the mitigation of COVID-19-related risks to pledge conversion.

13th Audit and Finance Committee Meeting, July 2020. The AFC indicated that its upcoming discussions would focus on the impact of COVID-19 on the Global Fund’s programs and resources, paying attention to the conversion of Sixth Replenishment pledges and resource mobilization efforts vis-à-vis the pandemic response. The AFC expressed interest in receiving an update on these issues at its next meeting.

12th Audit and Finance Committee Meeting, March 2020. The AFC requested to be kept informed on pledge conversion risks, given the volatile and changed external environment associated with the emergence of the COVID-19 pandemic. Similarly, the Committee emphasized the importance of understanding the evolution of domestic resource mobilization, particularly in the context of COVID-19.

Annex 2 – Relevant past Board decisions

Relevant past decision points	Summary and impact
<p>GF/B43/EDP12: Extension of C19RM timeline and operational flexibility for COVID-19 (September 2020)</p>	<p>The Board agrees that COVID-19 continues to pose a grave threat to the Global Fund’s mission to fight HIV/AIDS, tuberculosis, and malaria and strengthen systems for health, and that continued support for country responses to COVID-19 is critical to safeguard Global Fund programs and country health systems. The Board acknowledges its previous decisions establishing the Global Fund COVID-19 Response Mechanism (C19RM) to provide additional support for country responses to COVID-19 (GF/B42/EDP11), and approving certain time-bound operational flexibilities to ensure the continued delivery of the Global Fund mission during the pandemic (GF/B42/EDP10). Noting that COVID-19 continues to jeopardize country health systems and impede progress in the Global Fund’s mission, and that additional funds may become available for C19RM, the Board:</p> <ol style="list-style-type: none"> 1. Approves that the Secretariat may approve requests for C19RM funds through 15 April 2021; 2. Affirms that all other previously approved principles under GF/B42/EDP11 will continue to apply to C19RM; 3. Requests the Secretariat to return to the Board, through its committees as relevant, for additional consideration and approval should further extensions of C19RM be required as the pandemic continues to evolve, or if total additional funding for C19RM exceeds USD 500 million; and 4. Approves that the operational flexibility under paragraph 3 of GF/B42/EDP10, delegating authority to the Secretariat to grant limited exceptions to the Quality Assurance Policies to waive the requirement for pre-shipment sampling and testing for Expert Review Panel-approved products, vector control products, and condoms, where such testing may delay the delivery of products to countries, will apply through 15 April 2021.

Relevant past decision points	Summary and impact
<p>GF/B42/EDP11: Approval of COVID-19 Response Mechanism (April 2020)</p>	<p>The Board approved the creation of a temporary COVID-19 response mechanism (C19RM) to provide additional support for country responses to the pandemic and to ensure the continuity of the fight against HIV, tuberculosis, and malaria with initial funding of up to USD 500 million. The Board decided that:</p> <ul style="list-style-type: none"> (i) C19RM is a Board-approved initiative for which the Global Fund may mobilize additional resources from private and public donors, in accordance with existing policy; (ii) The Secretariat may approve requests for C19RM funds for an initial six-month period through 30 September 2020; and (iii) C19RM funds may be used through 30 June 2021. These dates could be extended by the Board, based on updated information on needs as the pandemic evolves. The Board also requested the Secretariat to further operationalize the investment and management modalities for C19RM.

Annex 3 – Relevant past documents and reference materials

1. Update on resource mobilization presented for information to the 17th AFC meeting ([GF/AFC17/10](#))
2. Update on resource mobilization presented for information to the 16th AFC meeting ([GF/AFC16/12](#))
3. Update on resource mobilization and replenishment presented for information in the context of the 45th meeting of the Global Fund Board ([GF/B45/19](#))
4. Update on resource mobilization presented for information to the 15th AFC meeting ([GF/AFC15/10](#))
5. Update on resource mobilization presented for information to the 14th AFC meeting ([GF/AFC14/09](#)) and the 44th meeting of the Global Fund Board ([GF/B44/17](#))
6. Update on resource mobilization and replenishment presented for information in the context of the 42nd meeting of the Global Fund Board ([GF/B42/21](#))
7. Update on resource mobilization presented for information to the 12th AFC meeting ([GF/AFC12/07](#))