

41st Board Meeting

Update on Resource Mobilization

GF/B41/17

15-16 May 2019, Geneva

Board Information

Purpose of the paper: this paper provides a progress update on efforts towards the 6th Replenishment, including the successful delivery of the Investment Case, 6th Replenishment Campaign and risk management framework.

Executive Summary

Context

This document provides a progress update on the 6th Replenishment efforts, including the successful delivery of the Investment Case (“IC”), launch of the campaign and ongoing risk management.

Questions this paper addresses

- A. What progress has been made since the last Board update?
- B. What are the key priorities in the lead up to the Pledging Conference?
- C. What are the key risks and how these will be managed?

Conclusions

The Global Fund is currently in a good position to capitalize on early mobilization efforts to deliver a successful replenishment, thanks to positive outcomes of early milestones in the campaign, most importantly:

- The launch of the replenishment target and summary IC in Paris where the Government of France and President Emmanuel Macron expressed strong support for the replenishment target and committed to leading the way to amplify the IC messages and galvanize support for the Global Fund;
- A successful Preparatory Meeting hosted by the Government of India in New Delhi on 7th-8th of February, and a very positive reception of the IC by the Global Fund partners and stakeholders present at the Meeting;
- The early announcement of increased contributions from Luxembourg and Ireland; and
- Strong expressions of commitment to increase investment in health and support of the Global Fund’s Replenishment expressed by African Leaders at the Africa Leadership Meeting in Addis.

The Sixth Replenishment campaign is now entering a second and more intensive phase focused on the following:

- Further expanding on the IC messages and themes as the Global Fund deploys the communications campaign for the 6th Replenishment and mobilizes broad political and public support for the Global Fund’s mission and global health more broadly;
- Securing additional early pledge announcements to increase momentum and create a positive dynamic in the lead up to the Replenishment Conference in Lyon;
- Ongoing advocacy and mobilization of Champions for the Global Fund Replenishment and domestic resource mobilization; and
- Managing risks identified in the Organizational Risk Register (“ORR”), particularly those that may weaken support from major donors.

Input Sought

The Board is requested (i) to contribute to creating an enabling environment for a successful 6th Replenishment by amplifying advocacy efforts with key constituencies and stakeholders, (ii) energize the campaign by continuing to mobilize Champions and influencers, and (iii) to advise and support on risk mitigation strategies.

Input Received

During the 9th Audit and Finance Committee meeting in March 2019, the AFC welcomed the efforts to deliver the IC and ensure a successful 6th Replenishment, noting that domestic resource mobilization (“DRM”) is a central component. The AFC appreciated the close collaboration with partners in the context of the Global Action Plan and the Sustainable Development Goals (“SDG”) agenda.

What progress has been made towards the strategy to mobilize resources and the 6th Replenishment?

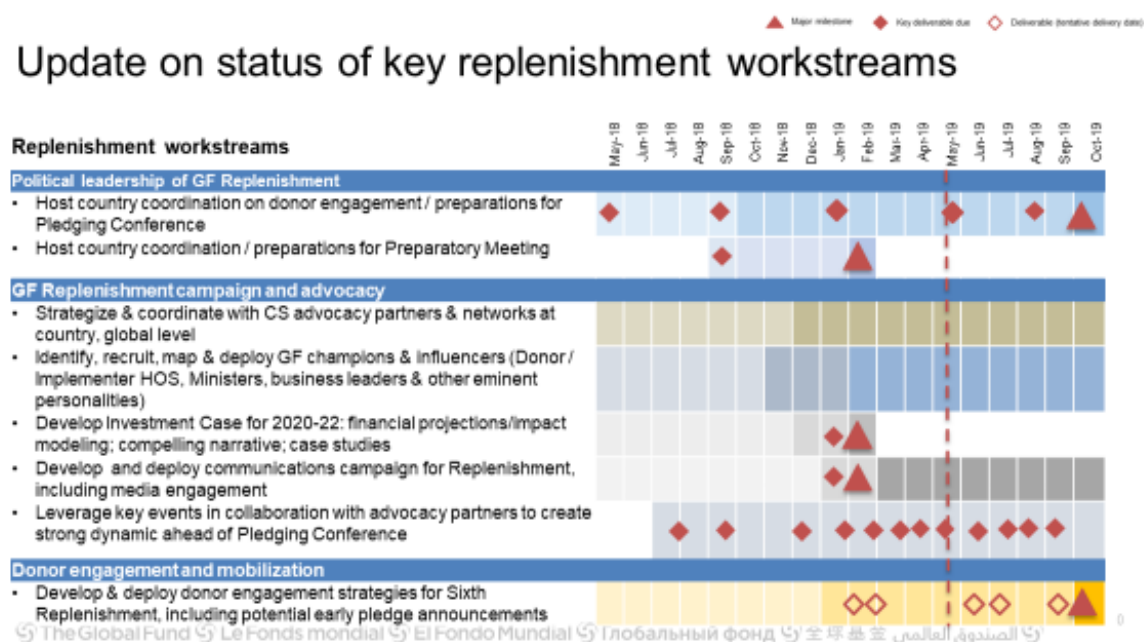
- 1. Launch of the Investment Case.** On 11 January 2019, the IC Summary was launched and the target to raise at least USD 14 billion for the 2020-2022 cycle was announced by the Global Fund in Paris, in the presence of French President Emmanuel Macron, Health Minister Agnes Buzyn and Director of WHO Dr Tedros Adhanom Ghebreyesus. A successful replenishment, alongside increased domestic financing and continued external funding, will enable the Global Fund and its partners to *Step Up the Fight* and save 16 million lives, cut the mortality rate from HIV, TB and malaria in half, and build stronger health systems. It will also accelerate progress towards the achievement of the Sustainable Development Goal 3.
- 2. Launch of the Private Sector resource mobilization target at WEF Davos.** At the annual meeting in Davos, the Global Fund called on the private sector to *Step Up the Fight* by contributing at least USD 1 billion to the Global Fund during the 6th Replenishment. A number of potential partnerships are now in discussion following the meetings at Davos. The supportive Board discussion and inputs provided during the 40th Board Meeting to strengthen the Global Fund's Private Sector Engagement Framework are critical to enable the Global Fund to engage more effectively with the private sector and mobilize more private sector resources towards the Global fund mission.¹
- 3. Preparatory Meeting in India.** On 7-8 February 2019, the full IC was presented, jointly with the Global Fund partners, at the Preparatory Meeting hosted by the Government of India. This was the first time that a replenishment milestone was hosted by an implementing country. IC themes were showcased during panel discussions, including how to drive progress and innovation towards UHC/SDG3, the need to mobilize youth and communities to end epidemics, and sustainable financing for health. Luxembourg announced its pledge of EUR 9 million, an increase of 11 percent and the first pledge announced for the 6th Replenishment. The Preparatory Meeting also offered an opportunity to engage and mobilize civil society partners and community representatives in India and beyond. The key outcomes of the preparatory meeting include positive initial reactions to IC and expressions of support from major public and private donors, partners, advocates, civil society, communities affected by the diseases, and implementers. On the private sector side, a private sector breakfast meeting hosted by the French, Canadian and Indian Chambers of Commerce profiled the need and opportunity for the India private sector to *Step Up the Fight*, particularly against TB, in India. The Chambers of commerce committed to mobilize their members against TB, including through workplace programming, funding and in-kind support.
- 4. Africa Leadership Meeting.** On 9 February 2019, the Africa Leadership Meeting was convened by the African Union and gathered African leaders including several Heads of State, the Global Fund, Gavi, the African Development Bank and private sector leaders. Among the speakers were HE Kagame, President of Rwanda, HE Solberg, Prime Minister of Norway, HE Issoufou President of Niger, Bill Gates, HE Zewde, President of Ethiopia, Seth Berkeley, CEO of Gavi, HE Antonio Guterres, UNSG, and Mr Ade Ayeyemi, CEO of Ecobank. The event led to a call to action towards increased health investments in Africa, including through increased domestic financing commitments, collaboration, and private sector co-investment. During the event, numerous leaders also called for greater contributions to the Global Fund and Ireland announced an increase of at least 50% of its contribution to the Global Fund.
- 5. #Love More Give More.** A week after the Preparatory Meeting in India, in continuation of the launch the Investment Case, the Global Fund Advocates Network Asia-Pacific (GFAN AP) launched the #Love More Give More - Day of action campaign on Valentine's day in support of the 6th Replenishment. The campaign was deployed in nearly 45 countries, jointly with GFAN Africa and regional and country affiliates, resulting in extraordinary level of engagement of communities living with the three diseases.

¹ Following the Board Meeting, the Management Executive Committee at the Secretariat approved the PSE Framework and it is now public ally available on the Global Fund website at:
https://www.theglobalfund.org/media/8382/core_privatesectorengagement_framework_en.pdf

- TB Day and Malaria Day.** For TB day, the Secretariat prepared a communications toolkit to amplify the *Step Up The Fight* messages, which includes “UnMasked: We All Breathe - MDR-TB survivor testimonials,” a documentary produced by Ikana Media chronicling the experiences of three medical professionals who contracted MDR-TB. Social media assets will be available for Malaria Day and the Global Fund will participate in public events in London, Paris and Bangkok.

What are the key priorities for the 6th Replenishment in the lead up to the Pledging Conference in Lyon?

- The 6th Replenishment-related workstreams are on track and progressing as planned.



- The Secretariat has developed a robust communications campaign for 6th Replenishment which is currently being deployed. This work includes: tailored communications strategies for major moments of the 6th Replenishment Campaign and for key donor markets; strategies to showcase early pledge announcements; the development of messages and tools to amplify the IC message and themes.
- In parallel, the Secretariat’s efforts will continue to focus on leveraging key events in collaboration with advocacy partners such as the Friends organizations, parliamentary groups and the GFAN network to create strong dynamic around Global Fund Replenishment and domestic resource mobilization ahead of the Lyon Pledging Conference. The role of advocacy partners is paramount to amplify the IC messages and to reach out to key stakeholders and high-level decision makers in donor and implementing countries. The drumbeat towards the Pledging Conference is in motion, advocacy partners are aligned and implementing activity plans in their respective countries, (i.e. preparing events, platforms, campaigns, in capitals in both donor and implementing countries). It is noteworthy that for the 6th Replenishment there is an unprecedented number of advocacy activities in implementing country capitals, including collaboration between civil society organizations, donor embassies (particularly France), and other in-country partners.
- Coordination with the Government of France on preparations for the Pledging Conference in Lyon and on political engagement and mobilization, including by leveraging France’s G7 Presidency, are paramount to a successful replenishment.

What are the key risks we face and how are we managing them?

11. The replenishment / future funding risk definition, key drivers and mitigating measures are monitored as part of the Organizational Risk Register (ORR):

Future Funding	
<p>STATUS SUMMARY</p> <p>Residual risk Moderate</p> <p>Direction of travel Steady</p>	<p>RISK DEFINITION AND KEY RISK DRIVERS</p> <p>Failure to meet the Global Fund's financial target for the Sixth Replenishment and to convert existing donor commitments due to loss of donor support and confidence, major reputational damage, or external factors outside of the Global Fund's control. Risk drivers include:</p> <ul style="list-style-type: none"> • A negative shift in sentiment towards the Global Fund amongst major donors, whether due to shifts in national politics or international priorities or reductions in ODA more generally as a result of budgetary pressure • Mismanagement or misuse of funds in Global Fund supported programs • Any unanticipated material reputational risk event • Perceived underperformance or lack of responsiveness of the Global Fund to donor requirements/priorities • Perceived lack of coordination/collaboration with global health partners • Failure to expand the donor base
<p>OVERALL MITIGATION STRATEGY</p> <ul style="list-style-type: none"> • Show continued commitment to results and impact and to meeting agreed terms and conditions for continued funding • Proactive campaigning, increased profile and visibility for the Global Fund and partners underpinned by technically sound/compelling Investment Case • Mobilization of high-level political support and championship from Hosts of Replenishment milestones (from G7 & G20) • Consistent drum-beat of support from Implementing countries, Champions, Civil Society and advocacy partners • Ongoing monitoring of political developments and budgetary processes; and cross-party engagement to ensure continued support in context of elections • Evolving Resource Mobilization approaches and innovative engagement modalities, particularly for the private sector, to continue to expand donor base 	

12. The most significant risks are factors that might weaken support from major donors. These risks remained broadly the same as those reported to the Board in November 2018. The summary assessment of the risk management approach for the replenishment / future funding is as follows:

- No new issues are emerging but there is always the risk of an unanticipated reputational risk event materializing, that may need to be managed;
- Overall a robust mitigation strategy is in place with ongoing oversight and focus by senior management. Significant progress has been made in managing the risks and issues within the Global Fund's control. It is important to maintain momentum and ensure implementation of the strategy is sustained throughout the Replenishment period;
- At this stage the Replenishment risk mitigation strategy is on track and the risk should reduce as we get closer to the Replenishment Conference.

13. At the AFC meeting held in March 2019, the Committee encouraged the Secretariat to continue to ensure a robust risk mitigation approach, and to report on existing and planned mitigations through the ORR at AFC and Board Meetings.

What are the next steps for the Board?

14. In the lead up to the Pledging Conference and throughout the replenishment cycle, the role of Board Members in helping to create an enabling environment for the Global Fund's replenishment efforts will be critical. The Board can support by: (i) amplifying the Investment Case and key messages of the 6th Replenishment Campaign with key constituencies and stakeholders, (ii) energizing the campaign by helping bring on board new champions and influencers; and (iii) continuing to advice and support the implementation of risk mitigation strategies.
15. At the 42nd Board Meeting in November 2019, the Secretariat will provide an update on the outcome of the Sixth Replenishment Pledging Conference in Lyon, including some early lessons learnt.

Annex 1 – Summary of Committee Input

At the the 9th AFC meeting held in March 2019, the committee:

- i. welcomed the efforts to deliver the IC and ensure a successful 6th Replenishment, noting that domestic resource mobilization is a central component of the IC for the 6th Replenishment;
- ii. appreciated the close collaboration with partners in the context of the Global Action Plan and the Sustainable Development Goals (“SDG”) agenda;
- iii. was supportive of the foreign exchange methodology to announce pledges for the 6th Replenishment;
- iv. encouraged the Secretariat to focus resource mobilization efforts on reaching the USD 14 billion target, and in parallel, consider general risk mitigation actions in the event of an undesired replenishment outcome; and
- v. advised the Secretariat to continue the work around ensuring the workforce initiative led by Human Resources delivers on the assumptions built into the IC in terms of resources and the operating model.

Annex 2 – Relevant Past Decisions

Relevant past Decision Point	Summary and Impact
GF/B38/DP07: Resource Mobilization Action Plan 2018-2019 (November 2017) ²	Acknowledging the 6th Replenishment as a key strategic priority, the Board requested its new Executive Director to develop a framework for a Resource Mobilization Action Plan (2018-2019), in consultation with partners and the Audit and Finance Committee, for the 39th Board meeting, followed by a detailed and fully costed plan to the relevant Committees in June 2018
GF/B36/DP03: Continuing Resource Mobilization Efforts Throughout the Replenishment Cycle (November 2016) ³	Acknowledging the successful launch of the Fifth Replenishment (2017-2019) and the importance of continuing to actively engage to mobilize increased resources throughout the Replenishment cycle, the Board requested that the Secretariat, under the oversight of the Audit and Finance Committee (the “AFC”), develop an ambitious action plan for attracting additional resources to be shared with the Board at its 37th Meeting, and subsequently reported on by the AFC to the Board on a regular basis.

² <https://www.theglobalfund.org/board-decisions/b38-dp07/>

³ <https://www.theglobalfund.org/Knowledge/Decisions/GF/B36/DP03/>

Annex 3 – Relevant Past Documents & Reference Materials

[6th Replenishment Investment Case Summary](#)

[GF/B40/17](#) - Resource Mobilization and Replenishment

[GF/B40/18](#) - A Structured Approach for Innovative Finance – Increasing Financial Innovation

[GF/B39/24](#) - Resource mobilization update

[GF/B38/19](#). Update on resource mobilization and the Global Fund's 6th Replenishment. Geneva, 14-15 November 2017

[GF/B37/28](#). Update on resource mobilization and Action Plan for continuing resource mobilization efforts throughout the fifth replenishment cycle. Kigali, May 2017.

[GF/B37/04](#). Update on the Implementation of the Amended and Restated Policy for Restricted Financial Contributions and Revision Proposal. Kigali, May 2017.