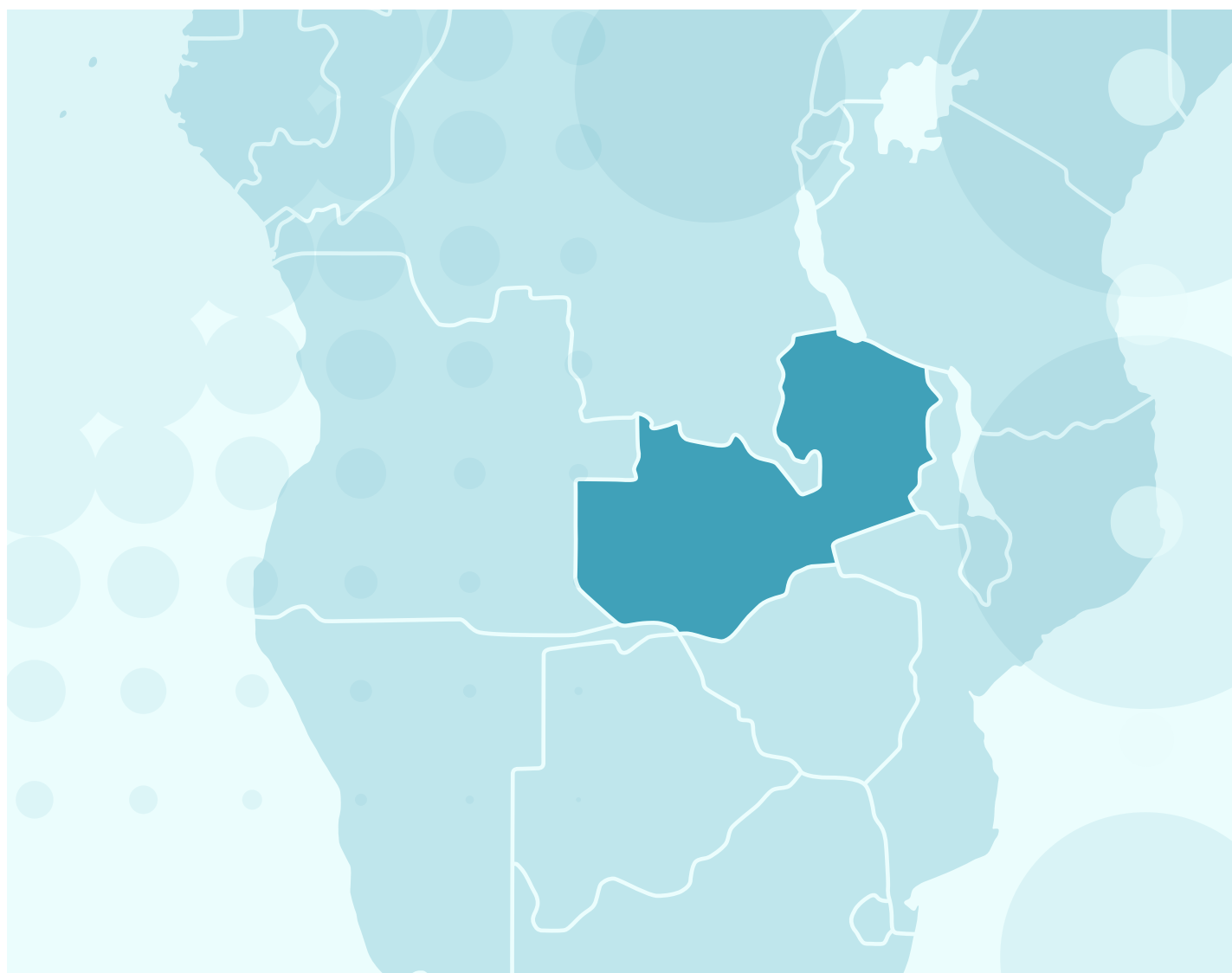


Rapid Assurance Review

# Implementation of the Grant Revision process of GC7 grants for Zambia

GF-OIG-26-005  
7 May 2026  
Geneva, Switzerland



# What is the Office of the Inspector General?

The Office of the Inspector General (OIG) safeguards the assets, investments, reputation, and sustainability of the Global Fund by ensuring that it takes the right action to end the epidemics of AIDS, tuberculosis, and malaria. Through audits, investigations, and advisory work, it promotes good practice, enhances risk management, and reports fully and transparently on abuse.

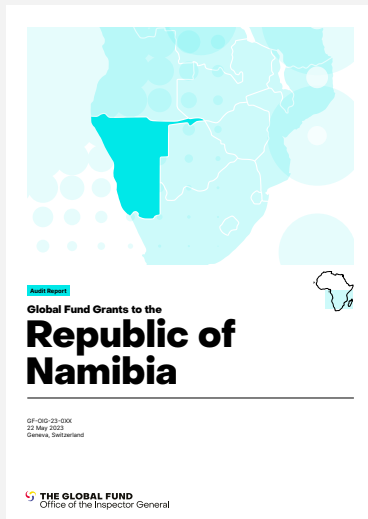
The OIG is an independent yet integral part of the Global Fund. It is accountable to the Board through its Audit and Finance Committee and serves the interests of all Global Fund stakeholders.

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# What is an OIG Rapid Assurance Review?

An OIG rapid assurance review is a focused review that provides limited, timely, risk-based assurance on a subject matter or process while it is being designed and implemented. This type of review is particularly well-suited for 1) situations where major decisions must be made quickly, often with incomplete information, 2) where critical processes do not yet exist but are urgently needed, or 3) during organizational crises and emergency scenarios.

The primary purpose is to provide assurance in a fast-moving setting, facilitate early identification and resolution of governance, risk, and control issues, and support the development of an appropriate, fit-for-purpose process. It seeks to assure the Board that processes have been designed and materially implemented in an appropriate way, recognizing the evolving operating context.

As the context includes extraordinary circumstances and limited reliable or available data, the level of assurance the OIG provides through these reviews is more limited than standard OIG audits.

The OIG takes a variety of measures to mitigate two inherent risks with these types of reviews:

- (i) Quality risks, due to the need to provide assurance within a short timeframe.
- (ii) Independence risk, as interim, iterative feedback is provided to the management as a process is developed.

The OIG sought advice from industry experts to ensure the approach is aligned with internal audit standards. Quality checks have been built in to provide assurance regarding the quality of supervision and audit evidence.

The Global Fund Secretariat owns the process. The OIG provides insights to management to support decision-making, but does not make executive decisions.



# 1. Executive Summary

<b>Background</b>	<p>The funding landscape for global health programs has changed rapidly since the beginning of 2025. In response to uncertainty regarding external funding, exceptional mid-cycle adaptations and phased measures were needed. These measures included the reduction of Grant Cycle 7 (GC7) country funding envelopes and program reprioritization using a streamlined grant revisions process. This was followed by a multi-phase process which involved country stakeholders and the Global Fund Secretariat reprioritizing and revising GC7 grants to adapt to smaller country funding envelopes.</p>	
<b>Scope</b>	<p>The rapid assurance review assessed whether the GC7 Grant Revision process was implemented in line with Global Fund guidance. To support the review objective, the OIG assessed effects of changes in the health financing landscape on country programs implementation.</p> <p>To do this, the OIG relied on evaluations undertaken by national programs and other partners in the health sector, and reported on both confirmed and potential disruptions. Limited-reliance review procedures were applied to these evaluations.</p> <p>The OIG did not opine on the design of the GC7 mid-cycle Grant Revision process, as it had previously provided rapid advice during development.</p> <p>The OIG did not opine on the impact of the Grant Revision process or on the effectiveness of country or partner adaptations, given the limited time since implementation.</p>	
<b>Review questions and observations</b>	<b>Review Questions</b>  <i>Was the communication of revised allocations by the Global Fund Secretariat to the Country Coordinating Mechanism (CCM) and Principal Recipients (PRs) accurate?</i>	<b>Observations</b>  GC7 Grants in Zambia were <b>reduced by US\$31 million</b> as a result of the reprioritization process.  <b>The revised allocations communicated to the Country Coordinating Mechanism (CCM) and Principal Recipients (PRs) were accurate. No discrepancies were identified</b> in the communication letter from the Global Fund Secretariat to the CCM and PRs.  <b>The communication was issued in a timely manner</b> , consistent with the timelines outlined in the <i>Guidance on GC7 Mid-cycle Reprioritization and Revision</i> .

Review questions and observations	Review Questions	Observations
	<p><b><i>Was the grant revision approach (i.e., budget or Programmatic Scope Revision) appropriately classified and approved in line with Global Fund policies and guidance?</i></b></p>	<p><b>The grant revision approach for Zambia’s GC7 reprioritization was classified as a material Budget Revision.</b> A material Budget Revision required the Country Team to assess and consider if budget reallocations did not result in unapproved programmatic scope changes.</p> <p>The Country Team assessed whether budget reductions constituted a material shift in the grant’s design, goals, or objectives.</p> <p>The OIG confirmed that the Zambia Country Team followed the required process, sought consultations as appropriate, and correctly classified the grant revision as a material Budget Revision.</p> <p>The Zambia Grant Revision process complied with the requirements of the Revised Grants OPN.<sup>1</sup> The selected revision approach meets the criteria for material Budget Revision and is appropriately aligned with the <i>Guidance on GC7 Mid-cycle Reprioritization and Revision</i>.</p>
	<p><b><i>Were the engagement and support provided by the Secretariat of the Global Fund to the CCM and community stakeholders throughout the reprioritization and Grant Revision process sufficient and effective?</i></b></p>	<p>The Global Fund Secretariat provided sufficient and appropriate <b>engagement and support to the CCM and community stakeholders during the reprioritization and Grant Revision process.</b></p> <p>The Secretariat provided clear and well-articulated guidance throughout the reprioritization process. The Secretariat also supported community engagement through Technical Assistance provided under the Community Engagement Strategic Initiative.</p>

<sup>1</sup> [The Global Fund's Operational Policy Manual](#) - Accessed 19 January 2026

Review questions and observations	Review Questions	Observations
	<p><i>Were the Global Fund Secretariat processes adequate to ensure consistent, transparent, and timely review and approval of grant revisions?</i></p>	<p>The Secretariat process for the revisions was <b>structured and transparent</b>, following the deallocation decision.</p> <p><b>Notification Letters confirming the reduced funding amounts were accurate and issued promptly.</b> The Country Team conducted a reprioritization review in line with the guidance and engaged with relevant stakeholders, both within the Secretariat and the country.</p> <p>Revisions were correctly classified in line with the GC 7 reprioritization guidelines and formally approved by the <b>Head, High Impact Africa 2 Department</b>, reflecting consistency and timely execution of procedures.</p>
	<p><i>Was the information provided through the Implementation Letter to finalize the Grant Revision process accurate and appropriately signed off?</i></p>	<p>Because all revisions were classified as Budget Revisions, no Implementation Letter was required for three grants.</p> <p>For 3 out of 4 grants, final changes were communicated in writing to Principal Recipients, CCM and LFA via Notification Letters.</p> <p><b>An Implementation Letter was issued to the MOH for the malaria grant</b> to incorporate US\$1.9 million from Climate and Health Fund for climate-resilient health information systems. No discrepancies were noted. The letter was appropriately signed and copied to the CCM and LFA.</p>
<p><b>OIG Rating</b></p>	<p><b>No Material Issues Noted</b></p>	

## 2. Country Context, Health Financing Shifts and Programmatic Implications

### 2.1 Zambia and the Three Diseases

#### Country context



**21.3 million**

Population (2024)



**US\$1,235**

GDP per capita (2024)



**2.5%**

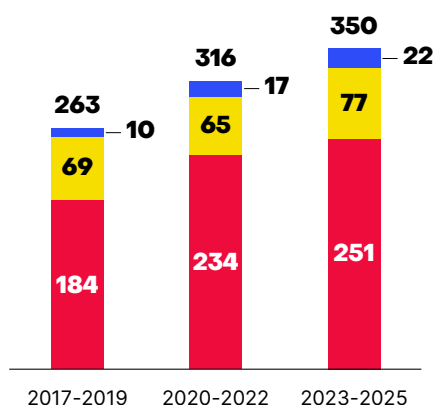
Domestic general Govt. health spending (% GDP) (2022)

- High Impact (HI) portfolio
- Additional Safeguards Policy (ASP)
- Challenging Operating Environment (COE)

#### Global Fund allocation and grants

**US\$1.96 billion**

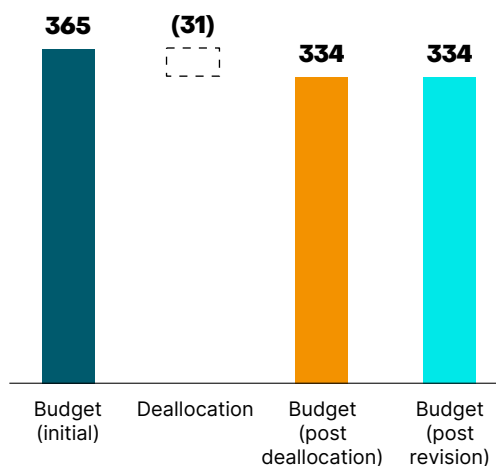
Global Fund disbursements since 2003



- HIV/AIDS
- Malaria
- Tuberculosis

**US\$350 million**

Global Fund allocation (2023-2025)



**US\$334 million**

Post revision budget split (2024-2026)

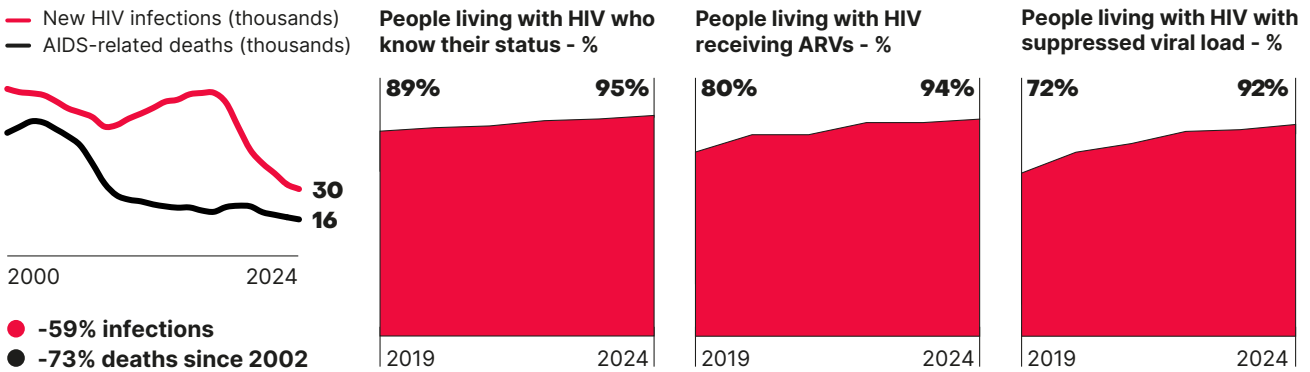
Component	Civil Society Organizations	%	Government	%	Total
	US\$75M	29%	US\$184M	71%	US\$259M
	US\$21M	28%	US\$54M	72%	US\$75M
<b>Total</b>	<b>US\$96M</b>		<b>US\$238M</b>		<b>US\$334M</b>

Sources: World Bank Open Data, Global Fund 2025 Results Report, Global Fund Data Explorer.

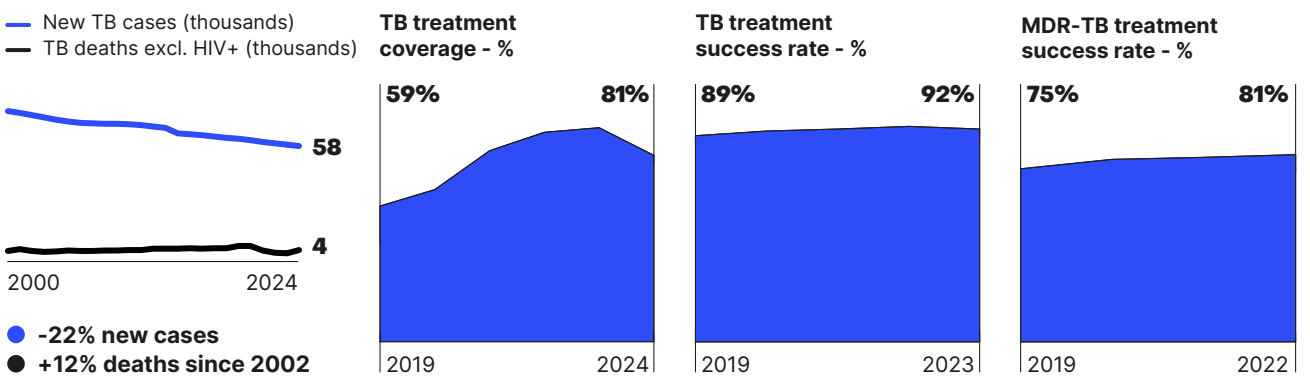
## The Three Diseases

Over 1.3 million people are estimated to be living with HIV in Zambia, the equivalent of 4.0% HIV burden (ranked 8th among Global Fund portfolios). Zambia has 0.7% of the malaria case burden (ranked 18th among Global Fund portfolios), and 0.6% of the TB disease burden (ranked 22nd among Global Fund portfolios).

### HIV/AIDS evolution

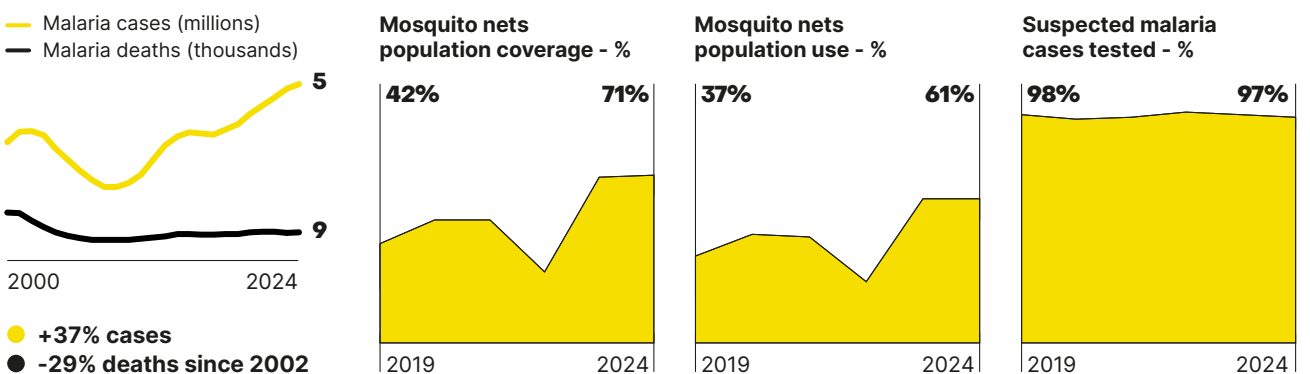


### Tuberculosis evolution



Note: Under the WHO's cohort-based surveillance guidelines, TB treatment success indicators are by design lagging, as outcomes are reported only after all patients in a treatment cohort have completed therapy. Therefore, the WHO's reported treatment outcomes trail treatment initiation by one year for drug-sensitive TB and two years for MDR-TB.

### Malaria evolution



## 2.2 Effects of changes to the health financing landscape

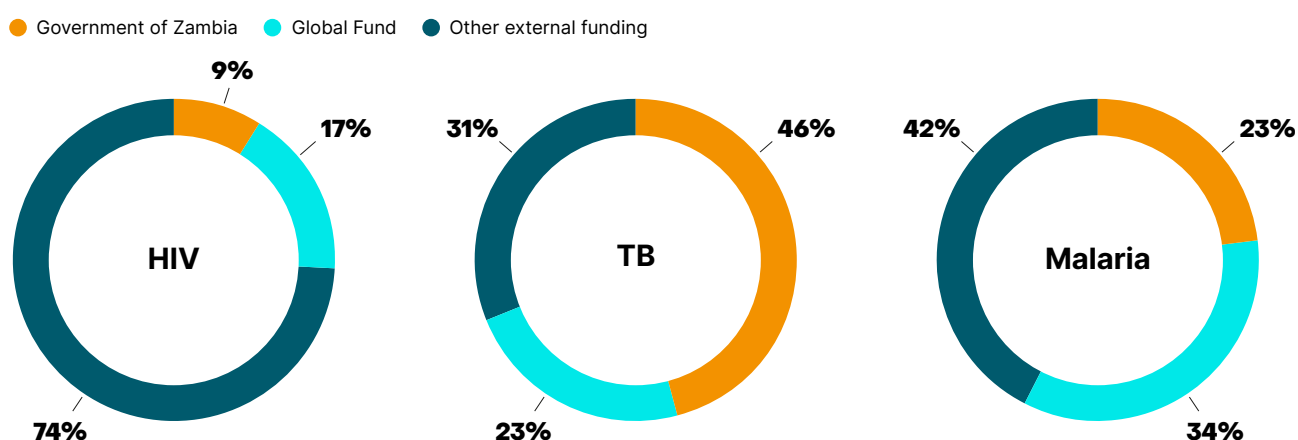
The following section relating to country-level disruption to HIV, TB and malaria programs relies on reported data and information from 3rd party sources including national disease programs and in-country partner reports. These were not independently validated by the OIG.

### Overall health financing landscape

Zambia's health sector is financed through a mix of domestic and external resources, with foreign sources contributing approximately 48%<sup>2</sup> of total health expenditure (WHO, 2023).

The country's HIV, TB, and Malaria programs under Grant Cycle 7 (GC7) rely heavily on external funding, though the level of domestic contribution varies by disease.

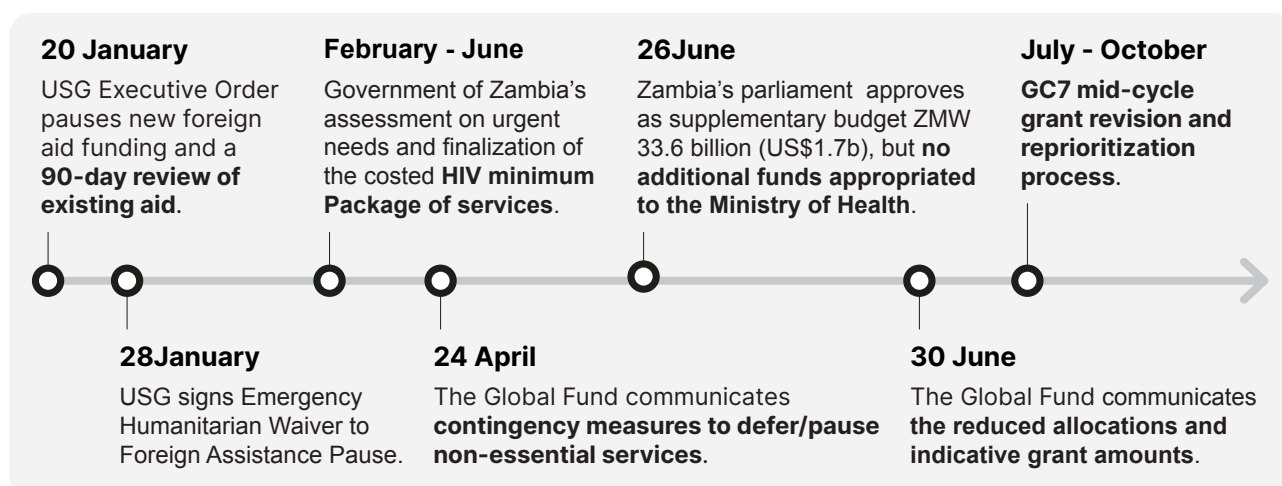
Figure 1: GC7 funding landscape data



In early 2025, Zambia faced foreign aid reduction estimated at 55%<sup>3</sup> which particularly affected its health sector. The Government of the Republic of Zambia (GRZ) allocated additional resources and optimized utilization of existing ones, in response to the service delivery gaps that resulted from the aid reduction.

In April, the Global Fund introduced interim measures to ensure continuity of essential programming while deferring some GC7 investment areas. This was followed by reduced country funding allocations in June.

Figure 2: Timeline of key changes to the health financing landscape – January to October 2025



2 WHO Global Health Repository - External health expenditure as percentage of current health expenditure – accessed 10 December 2025

3 This percentage is computed based on data available at [foreign assistance.gov](https://foreignassistance.gov) (accessed 11 December 2025). The Global Fund deallocated amount is not included.

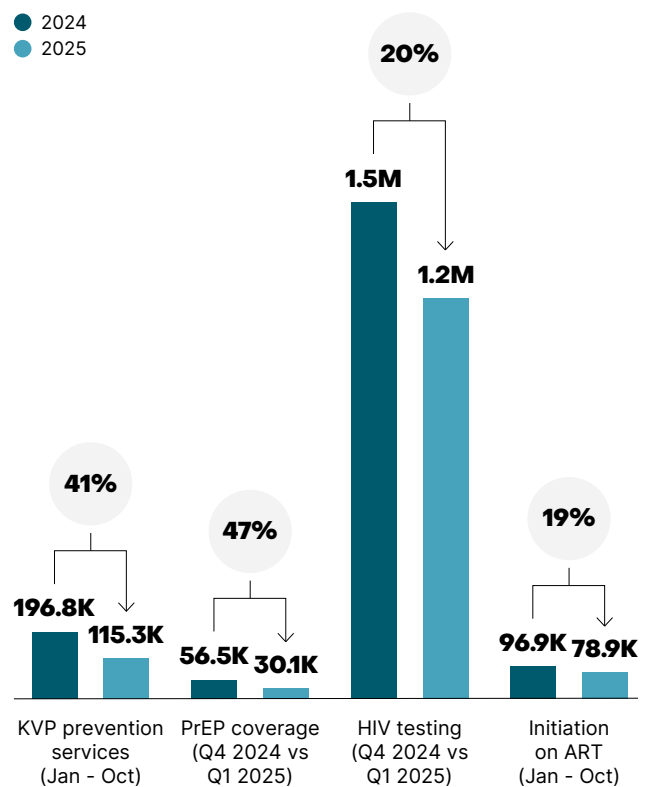
## Impact on HIV/AIDS Program

Zambia's HIV/AIDS program has depended largely on external funding. The suspension of some external aid disrupted service delivery. Despite this, the Ministry of Health (MoH) adjusted staff roles and resources to keep core HIV services running.

The loss of partner support led to the closure of 32 wellness centers and the termination of the DREAMS<sup>4</sup> program, affecting access to ART and PrEP for more than 20,000 people from key populations. This is linked to the termination of data clerk positions in the partner organization managing the wellness centers which restricted access to electronic health records. Overall, these changes contributed to a decline in prevention services for key populations.

In response, MoH and partners worked to increase domestic ownership, develop a sustainability roadmap, and update HIV guidelines to ensure cost-effective service delivery.

Figure 3: HIV Indicators impacted by Aid cuts

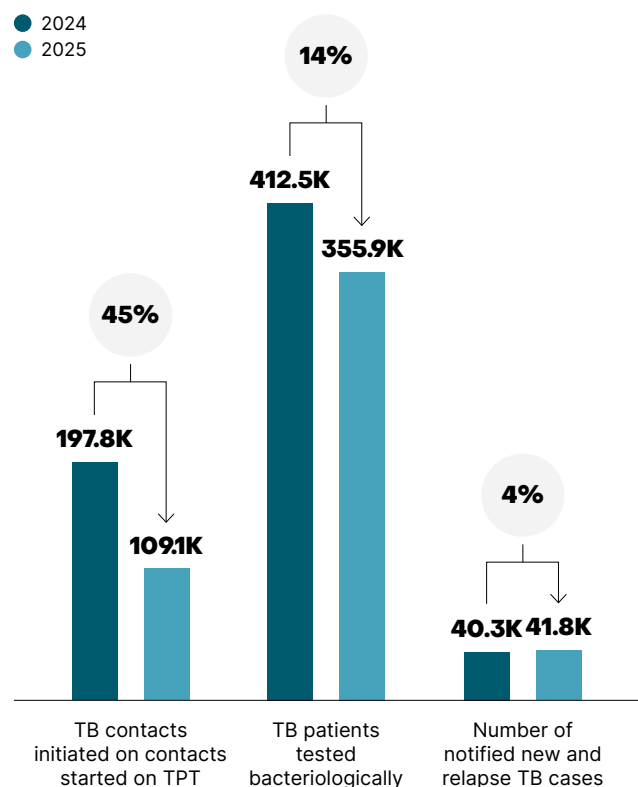


## Impact on Tuberculosis Program

The TB program in Zambia remained relatively stable in 2025 due to ongoing support from the Global Fund and the government. Reduced external funding prompted the National TB Program (NTP) to shift from broad case finding to targeting 270 high-volume sites, which yielded higher case notification and improved outcomes in 2025. However, procurement disruptions occurred for GeneXpert cartridges and TPT supplies, which affected TB preventive therapy initiation during the first ten months of 2025 compared to 2024. Deliveries took place at the end of 2025 and are expected to cover the country needs until the end of 2026.

In response to these disruptions, immediate measures included reallocating government staff, redistributing duties, deploying versatile volunteers, and waiving X-ray screening fees for presumptive cases.

Figure 4: TB Indicators



4 Determined Resilient Empowered AIDS-Free, Mentored, and Safe Women (DREAMS)

## Impact on Malaria program

Over three quarters of Zambia's malaria response under GC7 is financed by external partners, and 23% funded by the Government of Zambia. The Global Fund supports core commodities and systems, while government resources cover human resources and procurement of indoor residual spraying chemicals and ACTs.

Aid reduction largely affected survey and surveillance activities. Sentinel<sup>5</sup> sites decreased from 23 to 12. Reporting timeliness declined during January–June 2025 compared to the same period in 2024, with facility and community reports decreasing by 9% and 7%, respectively, primarily due to staff task shifting.

While these activities are critical in informing future interventions, their decrease does not pose an immediate threat to ongoing lifesaving interventions and may not have an immediate impact on disease evolution.

In response to the evolving funding landscape, the Ministry of Health optimized resources to maintain essential case management and vector control services. Facility-level malaria control remained stable, however community outreach slightly declined.

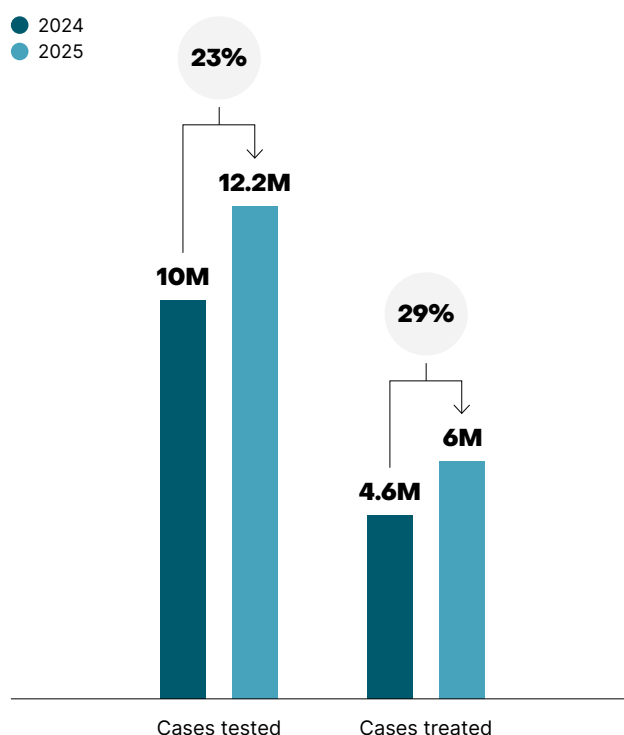
## Integrated Systems for health – health products management systems and human resources for health

In 2025, Zambia's health supply chain faced major disruptions due to funding shortfalls, impacting projects like the Program for Advancing Supply Chain Outcomes (PASCO), which previously supported up to 70% of commodity distribution. Zambia Medicines & Medical Supplies Agency (ZAMMSA) responded by contracting its own logistics provider and later transitioning some distribution activities to GHSC-PSM. However, exclusions of certain HIV commodities from GHSC-PSM's approved product range created parallel distribution systems, resulting in increased workload at ZAMMSA and higher costs. Additionally, ZAMMSA's distribution cycles declined by 16% in 2025, reducing the number of deliveries of commodities, and creating the risk of stock-outs.

Persistent governance and capacity challenges at ZAMMSA compounded the challenges. Restricted access to the electronic logistics management information system (eLMIS) led to inconsistencies in stock balances and subsequently reported stock-outs in some facilities. While ownership of eLMIS is progressively transitioning to the Ministry of Health, uncertainty persists around continued support for logistics systems.

To strengthen the delivery of community health services, the country targeted training 40,000 community health workers (CHWs), with more than 23,000 trained by 2024. However, the reductions in external aid have disrupted these efforts, resulting in the loss of over 11,000 health workers supporting the HIV response, and approximately 23,000 health workers delivering services for malaria, tuberculosis, and other essential health needs. This has impacted community health service delivery and community-led monitoring efforts.

Figure 5: Malaria Indicators



<sup>5</sup> A sentinel site is a strategically selected reporting unit that systematically collects detailed, and timely data on health conditions, which can then be used to detect trends, identify outbreaks early, and guide decision-making

## 2.3 High-level description of the adapted GC7 grant revisions process

### Simplified GC7 mid-cycle grant revisions process

For multi-grant portfolios.

Adapted from the GC7 mid-cycle reprioritization and revision guidance.

#### Indicative timelines

End-June  
2025

1



#### Communication of reduced allocations to CCMs and PRs

- The Global Fund informs Country Coordinating Mechanisms (CCMs) and Principal Recipients (PRs) of reduced allocations and indicative grant amounts.

2



#### CCM review of indicative grant amounts

- The CCM has two weeks to provide a no-objection, or request changes via the Grant Amounts Modification Form.
- If the CCM does not respond within two weeks, the indicative amounts are automatically confirmed as final.

3



#### Confirmation of reduced grant amounts

- CCM-proposed modifications are reviewed and assessed by the Global Fund Secretariat.
- The Global Fund confirms reduced grant amounts via Notification Letters sent to each multi-grant country PR.

Mid-July  
2025

4



#### Determination of need for further revision and revision approach

- The Country Team (with Regional or Department Head approval) uses a Revision Decision Form to determine if a grant needs further revision, and the appropriate approach.
- This may be either a Budget Revision or a Programmatic Scope Revision.

End-August  
2025

5



#### Revision of grant documents by PRs

- The PRs (in consultation with in-country stakeholders) complete necessary revisions based on the extent of changes to the grant.

September  
2025

6



#### CCM review and PR submission of revised grant documents

- For programmatic scope changes, the CCM must review and endorse the PRs' revision and reprioritization proposals within two weeks of PR submission.
- For material Budget Revisions, CCM endorsement is not required, but the PR must inform the CCM before submission.

Mid-September  
2025

7



#### Global Fund review and approval of revisions

- The Global Fund reviews and approves the revised grant documents to ensure alignment with agreed priorities and the GC7 Programmatic Reprioritization guidance.
- A programmatic revision may trigger a heightened review – which is an additional review by the Grants Approval Committee or Technical Review Panel - determined by the Global Fund Secretariat.

Mid-October  
2025

8



#### Finalization of the revision

- For Programmatic Scope Revisions, the PR signs the Implementation Letter, which is then countersigned by the Global Fund.
- An Implementation Letter is not required for a Budget Revision.

### 3. Detailed assessment

#### 3.1 Communication of revised allocation to the CCM and PRs

**Question:**

Was the communication of revised allocations by the Global Fund Secretariat to the Country Coordinating Mechanism (CCM) and Principal Recipients (PRs) accurate?

**Key process reviewed:**

- The Global Fund communication of the reduced allocation and indicative grant amounts to CCMs and PRs.

**Conclusion:** The communication of revised allocations by the Global Fund Secretariat to the CCM and PRs was **accurate**.

Process sub-step	OIG opinion
<i>The Global Fund communicated the reduced allocations and indicative grant amounts to the Zambia Country Coordinating Mechanism (CCM), the Principal Recipient (PR), and other relevant in-country stakeholders on 30 June 2025.</i>	<p>The OIG reviewed the communication to the CCM and PRs, and found that the reduced allocation and indicative grant <b>amounts were accurately communicated to country stakeholders, and aligned with the final approved figures</b>, including qualitative and other adjustments.</p> <p>The reduced allocation letter was addressed to the Minister of Health, CCM Chair, and Vice-Chair, with CCM members, PR representatives, and other relevant stakeholders copied in the letter. The letter included a breakdown of the new indicative grant amounts compared to the original allocations, to facilitate CCM review.</p>

## 3.2 Determination of grant revision approach

### Question:

Was the grant revision approach (i.e., Budget or Programmatic Scope Revision) appropriately classified and approved in line with Global Fund policies and guidance?

### Key processes reviewed:

- The grant revision approach to determine the nature of the grant revision (Budget or Programmatic Scope Revision).
- The process and rationale for approving the grant revision approach, in line with the guidance on GC7 mid-cycle reprioritization.
- The classification of the grant revision decision for each of the reduced grants' budget aligned with the guidance.
- Documentation of the CT's assessment of need for further revision and approval by the Regional Manager/ Department Head.

### Key processes not reviewed:

- The process of adopting any corrective actions to mitigate any issues identified - not applicable, as no issues were identified during the review of this process.

**Conclusion:** The grant revision approach was **appropriately classified, documented and approved** in line with Global Fund policies and guidance.

Process sub-step	OIG opinion
<p><i>The Country Team (CT) completes a Revision Decision Form to determine whether a grant requires further revision, and to propose an appropriate approach. In determining the revision approach, CT evaluates several factors including:</i></p> <ul style="list-style-type: none"> <li>• <i>Whether programmatic or budgetary changes from the reprioritization exercise require a formal revision.</i></li> <li>• <i>Whether there is any change in programmatic scope.</i></li> <li>• <i>The impact on compliance with Matching Fund access or programmatic conditions.</i></li> <li>• <i>Whether all outstanding Technical Review Panel (TRP) issues can still be addressed.</i></li> </ul> <p><i>The rationale for these decisions is documented for each grant, and submitted to the Regional Manager or Department Head for approval.</i></p>	<p><b>The OIG found that the Revision Decision form was properly used for all four grants, that they maintained their original programmatic scope and fulfilled all review and approval requirements set forth in the GC7 mid-cycle Reprioritization Guidance.</b></p> <p>Each grant maintained its program objectives and performance framework targets. All interventions were retained, with only minimal adjustments to activities within each intervention. The changes are not expected to significantly impact the achievement of program objectives. The combined grants were revised to align with the HIV/AIDS minimum service package, while malaria grants were updated to ensure adequate coverage of vector control and case management interventions.</p> <p>The OIG confirmed that communications from the Global Fund’s Operational Efficiency Team to the Zambia Country Team, dated 4 August and 1 September 2025, indicated the Department Head’s approval of the grant revisions.</p>

### 3.3 Engagement with CCM and community stakeholders

#### Question:

Were the engagement and support provided by the Secretariat of the Global Fund to the CCM and community stakeholders throughout the reprioritization and Grant Revision process sufficient and effective?

#### Key processes reviewed:

- CCM involvement in conducting a review of the reduced allocations and indicative grant amounts, its response and timeline.
- Confirmation of whether the CCM feedback was signed off by CCM leadership (Chair and vice-chair) with representation from both government and civil society.
- Confirmation of whether the PRs submitted the Programmatic Scope Revision to the CCM (including presentation meeting highlighting the major shifts in modules and interventions, including changes to implementation arrangements).
- Confirmation of whether the PRs informed the CCM prior to submission of material Budget Revisions to the Global Fund.
- Extent of meaningful community/CSO engagement throughout the reprioritization process.

**Conclusion:** The Global Fund Secretariat provided **sufficient and effective engagement** and support to the CCM and community stakeholders during the reprioritization and Grant Revision process.

Process sub-step	OIG opinion
<p><b>Review of indicative grant amounts</b></p> <p><i>For portfolios with multiple grants, the CCM reviews the indicative grant amounts communicated by the Global Fund and has two weeks to either provide a no-objection or request changes by submitting the Grant Amounts Modification Form.</i></p> <p><i>If the CCM does not respond within this timeframe, the indicative amounts are automatically confirmed as final.</i></p>	<p>The OIG found that the <b>CCM's review and endorsement process was consultative, involving multiple stakeholders, including community and civil society representatives.</b></p> <p>On July 14, 2025, the CCM Chair formally responded to the Global Fund within the two-week deadline, confirming that the revised allocation outlined in the letter dated June 30, 2025, had been reviewed and accepted following a full CCM Assembly resolution.</p> <p>The communication was signed by the CCM Chair, copied to the Vice Chair and all CCM members, including the Chair of the Civil Society Self-Coordinating Mechanism (CSSCM).</p>

Process sub-step	OIG opinion
<p><b>Review of revisions and reprioritization decisions</b></p> <p><i>For programmatic scope changes, the CCM is required to review and endorse the PRs' revision and reprioritization proposals, including major shifts in modules, interventions, or implementation arrangements, within two weeks of PR submission to the Global Fund. Endorsement should be provided by the CCM Chair and the civil society representative if the Chair represents government, or vice versa.</i></p> <p><i>If the CCM does not respond within the two-week period, the Global Fund considers this as an endorsement and proceeds with the revisions review and approval process.</i></p> <p><i>For material Budget Revisions, CCM endorsement is not required, but the PR is required to inform the CCM prior to submission</i></p>	<p>The <b>OIG</b> found that the revision and reprioritization process involved adequate engagement with the <b>CCM</b> and <b>community stakeholders</b>.</p> <p><b>There were no changes to the programmatic scope</b> across all Global Fund GC7 grants in Zambia.</p> <p><b>All grants underwent material budgetary revisions.</b> These adjustments followed the established Budget Revisions process and were aligned with the reprioritization guidance.</p> <p>The CCM organized a reprioritization retreat between 22-25 July 2025 to engage with the PRs on the Budget Revisions, prior to submission to the Global Fund.</p> <p>On July 4, 2025, civil society stakeholders were oriented. They actively contributed to drafting the reprioritization roadmap and participated in CCM meetings. CSOs were included in plenary sessions and working groups, with the Global Fund Country Team commending Zambia's collaborative approach to the Grant Revision process.</p> <p>CSOs implementing grant activities under the Ministry of Health (MOH), as sub-recipients or sub-sub-recipients, were not directly engaged by MOH during grant revision meetings.</p> <p>Instead, their engagement was primarily facilitated through CITAM PLUS<sup>6</sup> and the CCM, enabling the CSOs to understand and participate in the reprioritization process.</p>

6 CITAM PLUS - Community Initiative for Tuberculosis, AIDS and Malaria Plus related diseases. It operates as civil society organization in Zambia.

### 3.4 Secretariat processes for reviewing and approving grant revisions

**Question:**

Were the Global Fund Secretariat processes adequate to ensure consistent, transparent, and timely review and approval of grant revisions?

**Key processes reviewed:**

- Process followed by the CT in assessing CCM-proposed modifications to indicative grant amounts.
- The Global Fund’s review and approval of revised grant documents to ensure alignment with agreed priorities and reprioritization guidance.

**Conclusion:** Secretariat processes were **adequate** for consistent, transparent and timely grant revision review and approval.

Process sub-step	OIG opinion
<p><b>Review of proposed modification to program split and confirmation of reduced grant amount</b></p> <p><i>In the event that the CCM proposes modifications to the indicative grant amounts, the Global Fund assesses the proposal against justification provided by the applicant, prior to issuance of a Notification Letter and confirming the reduced grant amount.</i></p>	<p><b>Not applicable.</b> The CCM responded on 14 July 2025, through a letter signed by the CCM Chair, confirming acceptance of the deallocation decision with no request to modify the indicative grant amounts.</p>
<p><b>Review and approval of PR revised grant documents</b></p> <p><i>The Country Team reviews grant documents to ensure alignment with agreed priorities and reprioritization guidance.</i></p> <p><i>For Programmatic Scope Revisions, approval authority depends on whether heightened review is required:</i></p> <ul style="list-style-type: none"> <li>• <i>Without heightened review: Approved by the Regional Manager or Department Head (RM/DH) and Grant Finance Manager (GFM).</i></li> <li>• <i>With heightened review: Requires either GAC review and approval or TRP review, followed by RM/DH and GFM approval.</i></li> </ul> <p><i>The CT, in consultation with SIID Advisors, determines if heightened review is necessary, and recommends GAC or TRP review based on defined triggers in the guidelines.</i></p>	<p>The OIG found that <b>the Secretariat’s review and approval process of the revised grant documents was conducted in accordance with the approved guidelines and procedures.</b></p> <p>The assessment was documented through the Revision Decision Forms and was formally approved by the Head of the Department on 4th of August 2025.</p> <p>There were no <b>Programmatic Scope Revisions.</b></p>

### 3.5 Implementation Letter to finalize the grant revisions

**Question:**

Was the information provided through the Implementation Letter to finalize the Grant Revision process accurate and appropriately signed off?

**Key processes reviewed:**

- Global Fund communication of the final revised grant budget via Notification Letters to the PRs.
- Global Fund communication of the final revised budget for the MoH Malaria grant via an Implementation Letter to MoH PR.

**Conclusion:** The Implementation Letter sent for the Malaria grant, and final communications for TB and HIV grants, were **accurate and appropriately signed off**.

Process sub-step	OIG opinion
<p><i>For programmatic scope changes, the Global Fund issues an Implementation Letter to the PR for signature. Once signed by the PR, the Global Fund countersigns and finalizes the revision in the Grants Operating System (GOS). The Implementation Letter includes:</i></p> <ul style="list-style-type: none"> <li>• <i>The revised Grant Confirmation table.</i></li> <li>• <i>The revised Summary Budget.</i></li> <li>• <i>The revised Performance Framework (in exceptional cases).</i></li> <li>• <i>Any additional or amended grant requirements related to the revision.</i></li> </ul> <p><i>The fully signed Implementation Letter formalizes the approved revisions and enables implementation.</i></p> <p><i>Budget Revisions do not require an Implementation Letter.</i></p>	<p>The OIG found that the <b>revised grant amount, summary budget, and amended grant requirements were accurately captured in the final communications</b> of the revised grants.</p> <p><b>The Global Fund formally notified the PR of the approved revised budgets for TB and HIV grants via Notification Letters dated 6 October 2025. The Notification Letters were duly signed</b> by the Senior Fund Portfolio Manager, with the CCM Chair, CCM Coordinator, and the Local Fund Agent (LFA) copied.</p> <p>An Implementation Letter is not required for Budget Revisions. However, an Implementation Letter (dated 20 October 2025) was issued for the revised Malaria grant because an additional <b>US\$1.9 million</b> from the Climate and Health Fund was incorporated during the revision process to support climate resilient health information systems. This additional funding required updates to the performance framework, necessitating the issuance of an Implementation Letter to the MoH PR.</p> <p>The Implementation Letter reflected the revised budget, for the approved additional funding of US\$1.9 million from the Climate and Health Fund. No discrepancies were noted.</p> <p>The letter was addressed to the Principal Recipients (copied to the CCM and the LFA) with written approval of the changes to summary and program budgets, marking the completion of the revision process of three out of four grants.</p>

## Definitions

**Programmatic Scope Revision:** A Programmatic Scope Revision is a formal change to the design, goals, or objectives of a GC7 grant when reprioritization results in significant programmatic adjustments. It is required when changes go beyond financial reallocations and involve material shifts in the grant's scope.

**Budget Revisions:** a formal adjustment to the financial structure of a GC7 grant following the mid-cycle reprioritization exercise. It occurs after the Global Fund issues a Notification Letter reducing the overall grant amount, and is required when changes to the grant's financial allocations are significant enough to warrant documentation and approval.

**Programmatic reprioritization:** the process of reordering and adjusting planned activities and investments within GC7 grants to ensure that limited resources are directed toward the most critical, lifesaving interventions.

**Notification Letter:** Secretariat communication confirming reduced amounts (and completion of Budget Revisions for non-scope changes).

**Implementation Letter:** Formal instrument to finalize programmatic scope changes (and special cases like grant mergers), includes revised Grant Confirmation, Summary Budget, PF, and requirements.

**Guidance on GC7 Mid-cycle Reprioritization and Revision:** Secretariat guidance (published 8 July 2025; updated 25 September 2025) governing classification and approvals.

**Principal Recipient (PR):** Organization legally responsible for grant implementation and fiduciary management.

**Department Head:** Secretariat approvers of revision approach.





# Annex 1: Rapid Assurance Review Rating and Methodology

Rapid Assurance Reviews conducted by the OIG follow the principles of internal auditing as defined by the Global Institute of Internal Auditors. These reviews are guided by international standards for the professional practice of internal auditing, and by the IIA Code of Ethics, ensuring the quality, consistency, and professionalism of the OIG’s work. The OIG has developed a methodology for Rapid Assurance Reviews which provides guidelines for the conduct and management of such reviews. The methodology is further supported by the OIG’s Charter, Audit Manual, Code of Conduct, and the specific terms of reference for each engagement, which collectively safeguard auditor independence and uphold the integrity of the review process.

Rapid assurance reviews provide limited, timely, risk-based assurance on a subject matter or process while they are being designed and implemented. They assess the adequacy and effectiveness of governance, risk management, and internal control processes, with a particular emphasis on early identification of issues, and support the development of an appropriate, fit-for-purpose process. These reviews may rely on a combination of targeted testing, interviews, documentation reviews, and triangulation with other assurance sources to form a balanced and evidence-based conclusion.

The rating methodology used in Rapid Assurance Reviews reflects the degree to which governance, risk, and control processes are designed and operating effectively to support the achievement of intended objectives. Ratings are assigned based on the nature and severity of issues identified, the reliability of available evidence, and the context in which the review is conducted.

## Rapid Assurance Review Rating Classification

Rating	Definition
 <b>No material issues noted</b>	No issues or few minor issues noted. Internal controls, governance and risk management processes were reasonably designed and implemented, given the context, and materially effective to support the achievement of intended objectives.
 <b>Some concerns noted</b>	Moderate issues noted. Internal controls, governance and risk management processes were reasonably designed and implemented, given the context, but one or a limited number of issues were identified that may present a moderate risk to the achievement of intended objectives.
 <b>Significant issues noted</b>	Multiple significant and/or material issue(s) noted. Internal controls, governance and risk management processes are not adequately designed and/or are not generally effective. The nature of these issues is such that the achievement of intended objectives is seriously compromised.
 <b>Not able to conclude</b>	A conclusion could not be reached due to insufficient, incomplete, or unreliable information. The design and/or implementation of internal controls, governance, and risk management processes could not be adequately assessed, and the effectiveness of these processes remains undetermined.