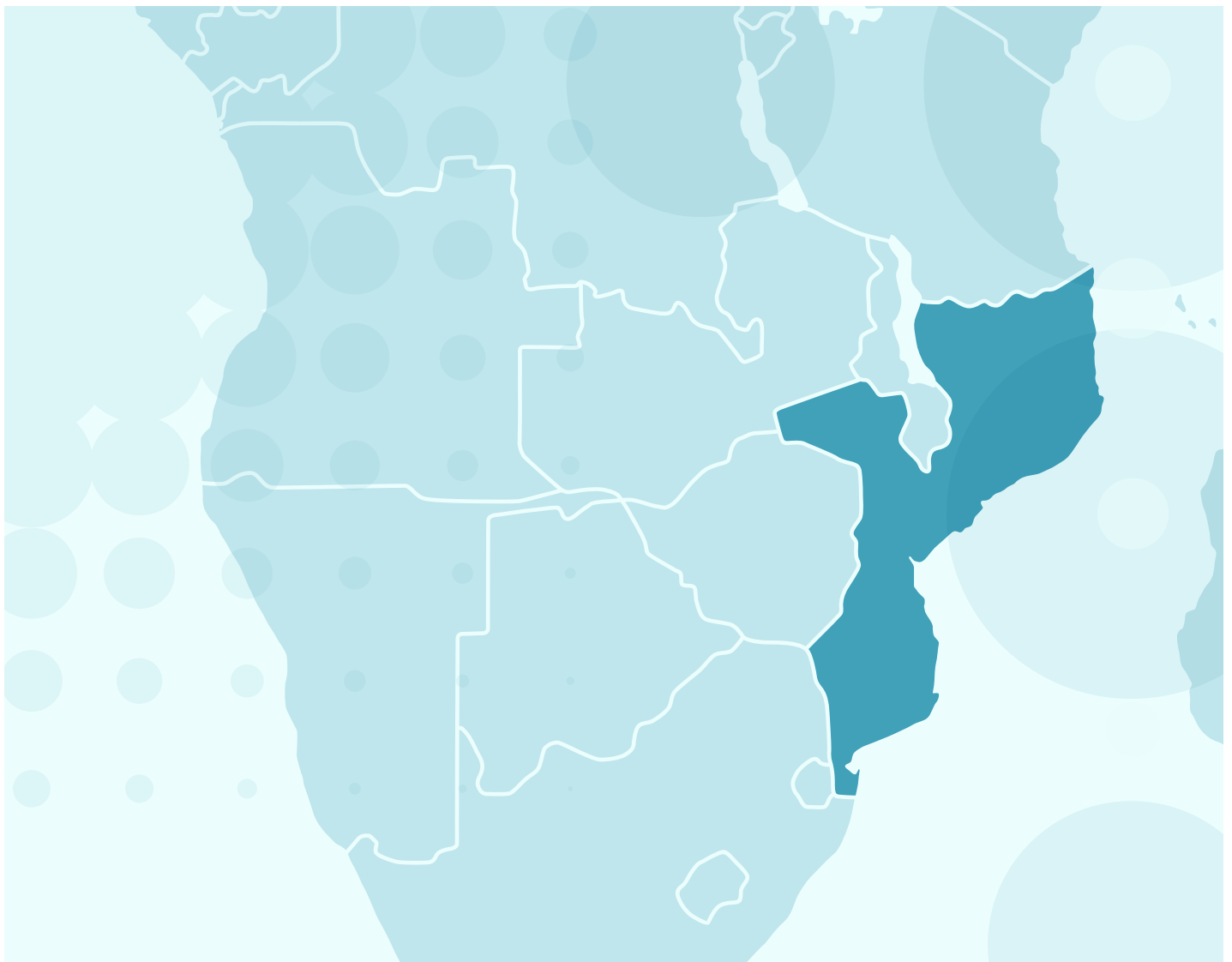


Rapid Assurance Review

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

GF-OIG-26-012  
31 July 2026  
Geneva, Switzerland



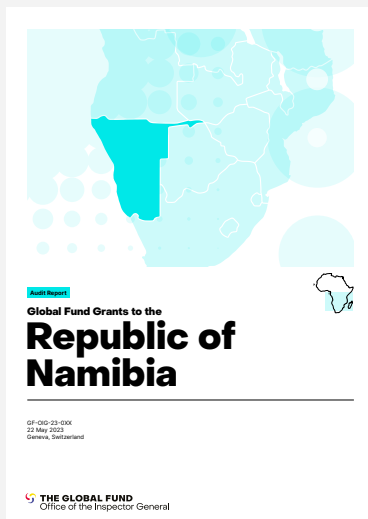
# What is the Office of the Inspector General?

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.

Email:  
[hotline@theglobalfund.org](mailto:hotline@theglobalfund.org)

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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

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Background                        | <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 involving country stakeholders and the Global Fund Secretariat to reprioritize and revise GC7 grants to adapt to smaller country funding envelopes.</p>                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Scope                             | <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 examined how changes in the health financing landscape affected the implementation of country programs.</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 procedures were applied on 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> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Review questions and observations | Review Questions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Observations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                   | <p><i>Was the communication of revised allocations by the Global Fund Secretariat to the Country Coordinating Mechanism (CCM) and Principal Recipients (PRs) accurate?</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>GC7 grants in Mozambique were <b>reduced by US\$92 million (12% cut)</b> as a result of the reprioritization process.</p> <p>The revised allocations communicated to the Country Coordinating Mechanism (CCM) and Principal Recipients (PRs) were <b>accurate. No discrepancies were identified</b> in the communication letter from the Global Fund Secretariat to the CCM and PRs.</p> <p>The <b>communication was issued in a timely manner</b>, consistent with the timelines outlined in the Guidance on GC7 Mid-cycle Reprioritisation and Revision.</p> |

| Review questions and observations | Review Questions                                                                                                                                                                                                 | Observations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                   | <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>                                       | <p>The grant revision approach for Mozambique's GC7 reprioritization was classified as a material budget revision.</p> <p>Accordingly, the revision process followed the guidance set in the Revised Grants OPN.<sup>1</sup></p> <p>The OIG confirmed that the Mozambique Country Team followed the required process, sought consultations as appropriate with few exceptions, and correctly classified the grant revision as a material budget revision.</p>                                                                                                                                                                  |
|                                   | <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> | <p>The Global Fund Secretariat provided sufficient and appropriate engagement and support to the CCM and community stakeholders during the reprioritization and Grant Revision process.</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>                                                                                                                                                                        |
|                                   | <i>Were the Global Fund Secretariat processes adequate to ensure consistent, transparent, and timely review and approval of grant revisions?</i>                                                                 | <p>The Secretariat process for the revisions was structured and transparent, 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</b>, reflecting consistency and timely execution of procedures.</p> |

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

| Review questions and observations | Review Questions                                                                                                                                           | Observations                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                   | <b><i>Was the information provided through the Implementation Letter to finalize the Grant Revision process accurate and appropriately signed off?</i></b> | <p>Because all revisions were classified as budget revisions, no Implementation Letter was required for the grants.</p> <p>However, Implementation Letters were issued for three grants that benefited from additional funding from the Catalytic Investment Fund under the Climate &amp; Health initiative (US\$8 million allocation), aimed at reducing climate-related health risks. All Implementation Letters were accurate and duly signed off.</p> |
| <b>OIG Rating</b>                 | <b>No Material Issues Noted</b>                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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

### 2.1 Mozambique and the Three Diseases

#### Country context



**34.6 million**

Population (2024)



**US\$656.8**

GDP per capita (2024)



**2.25%**

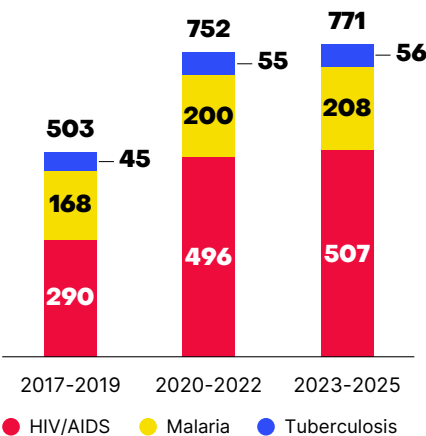
Domestic general Govt.  
health spending (% GDP)  
(2022)

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

#### Global Fund allocation and grants

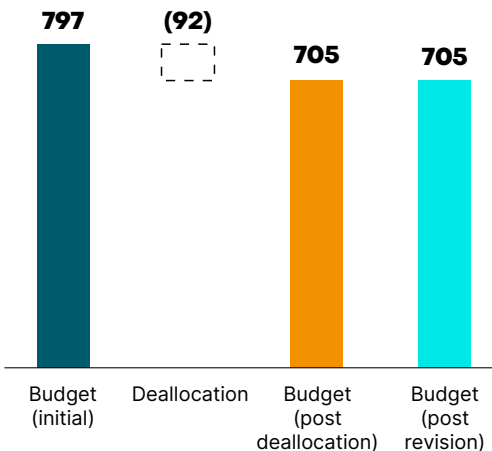
**US\$2.73 billion**

Global Fund disbursements since 2003



**US\$771 million**

Global Fund allocation (2023-2025)



**US\$789 million**

Post revision budget split (2024-2026)

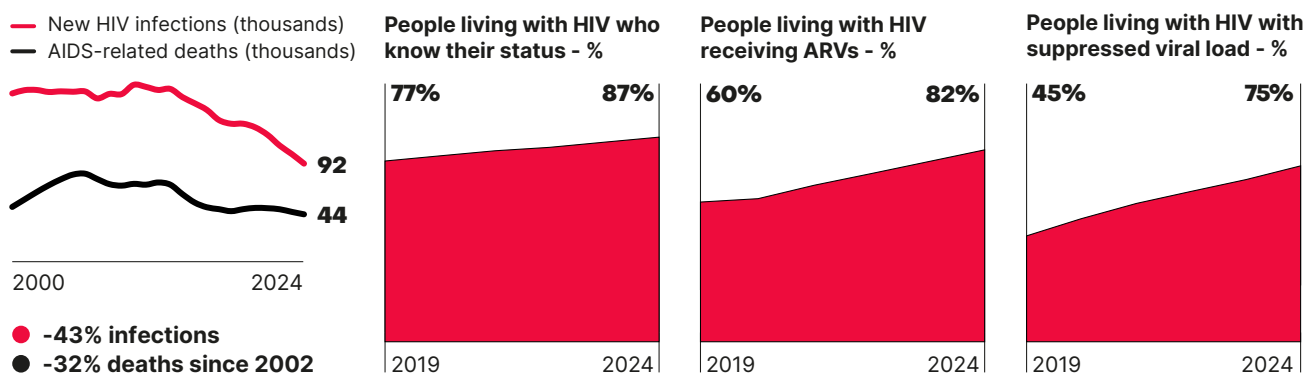
| Component    | Civil Society Organizations | %          | Government             | %          |
|--------------|-----------------------------|------------|------------------------|------------|
|              | US\$75,920,932              | 10%        | US\$342,183,001        | 43%        |
|              | US\$74,204,423              | 9%         |                        |            |
|              |                             |            | US\$40,169,431         | 5%         |
|              | US\$56,420,644              | 7%         | US\$133,897,947        | 17%        |
| <b>RSSH</b>  |                             |            | US\$66,496,112         | 8%         |
| <b>Total</b> | <b>US\$206,545,999</b>      | <b>26%</b> | <b>US\$582,746,491</b> | <b>74%</b> |

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

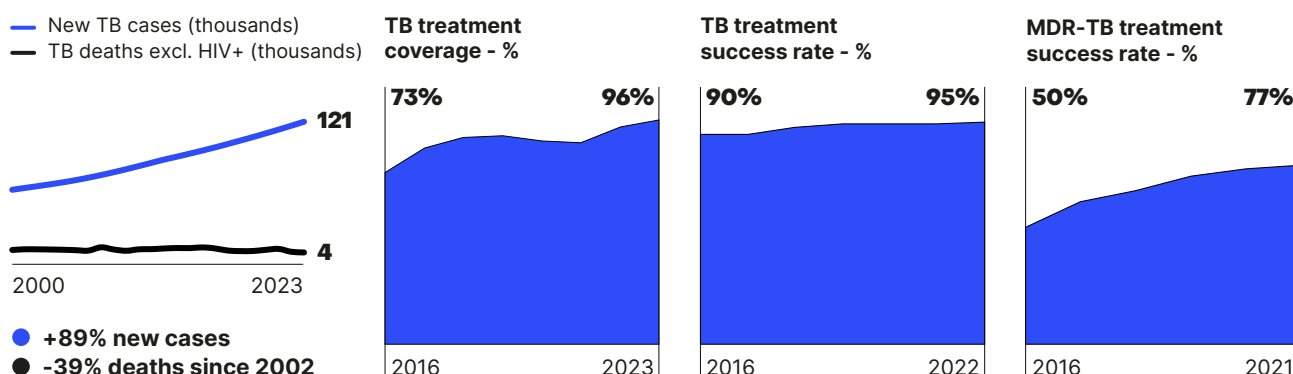
## The Three Diseases

Over 2.4 million people are estimated living with HIV in Mozambique, the equivalent of 7.26% of the HIV burden among Global Fund supported countries (ranked 3rd among Global Fund portfolios). Mozambique has 4.06% of the malaria case burden among Global Fund supported countries (ranked 5th among Global Fund portfolios) and 1.25% of the TB disease burden among Global Fund supported countries (ranked 13th among Global Fund portfolios).

### HIV/AIDS evolution

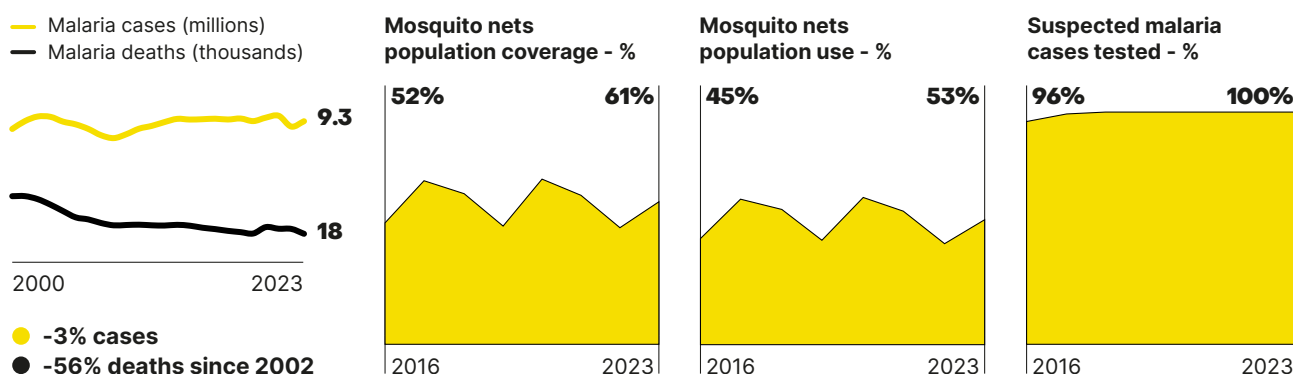


### Tuberculosis evolution



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

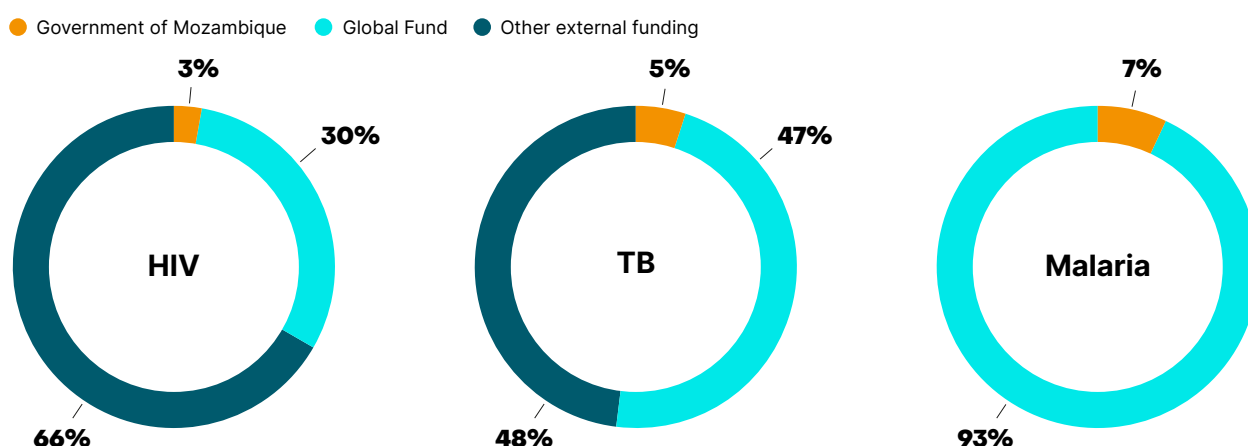
The following section relating to country-level disruption to HIV, TB and malaria programs relies on reported data and information from 3rd party sources including national disease programs and in-country partner reports. These were not independently validated by the OIG.

### Overall health financing landscape

Mozambique's health sector is financed through a mix of domestic and external resources, with foreign sources contributing approximately 58%<sup>2</sup> of total health expenditure.

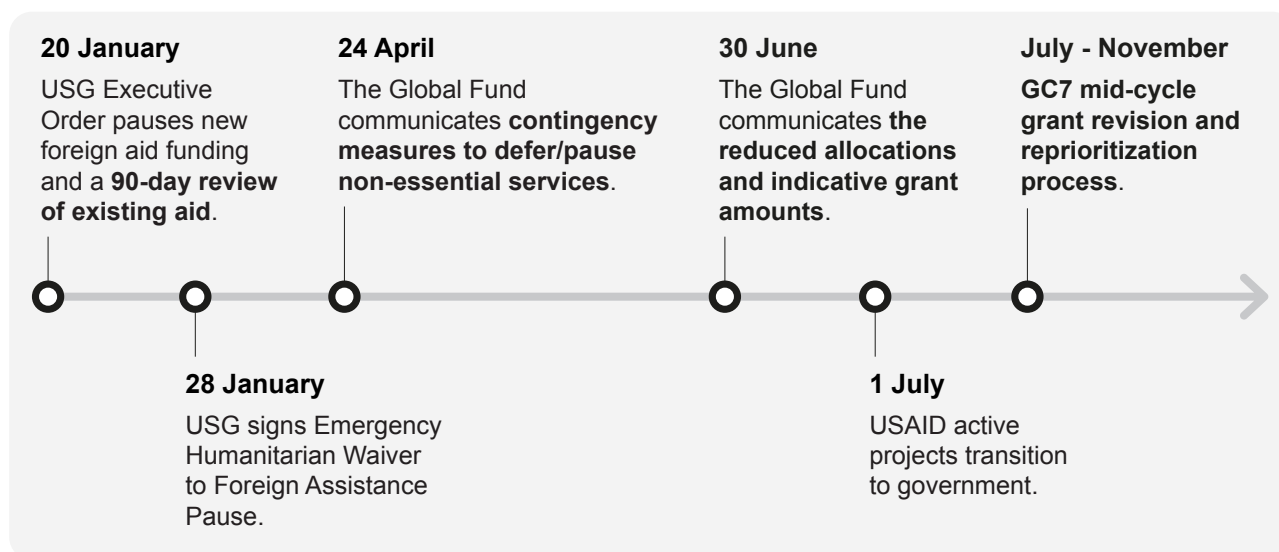
The country's HIV, TB, and Malaria programs under Grant Cycle 7 (GC7), rely heavily on external funding, though the level of domestic contribution varies by disease.

Figure 1: GC7 funding landscape data



In early 2025, Mozambique experienced a reduction in foreign aid. In April, the Global Fund announced a deferral of certain GC7 grant investments, followed by reduced country funding allocations in June 2025.

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

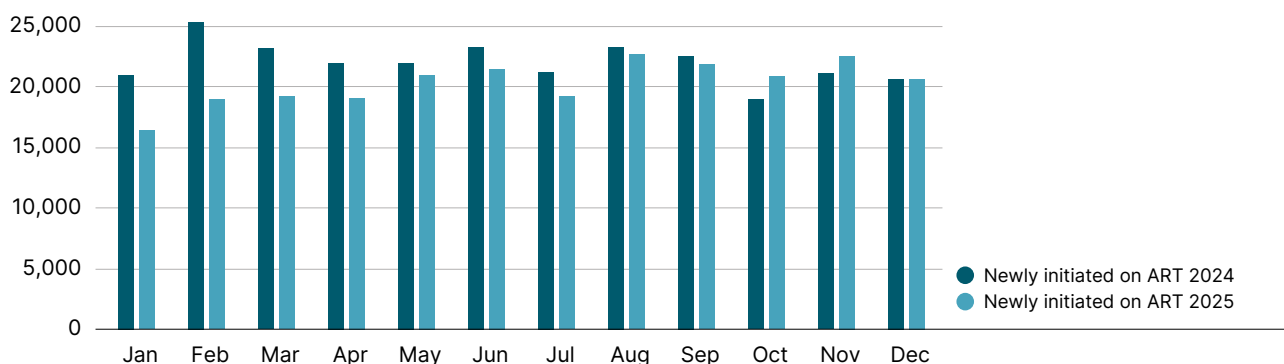


<sup>2</sup> WHO Global Health Repository - External health expenditure as percentage of current health expenditure – Accessed 10 December 2025

## Impact on HIV/AIDS Program

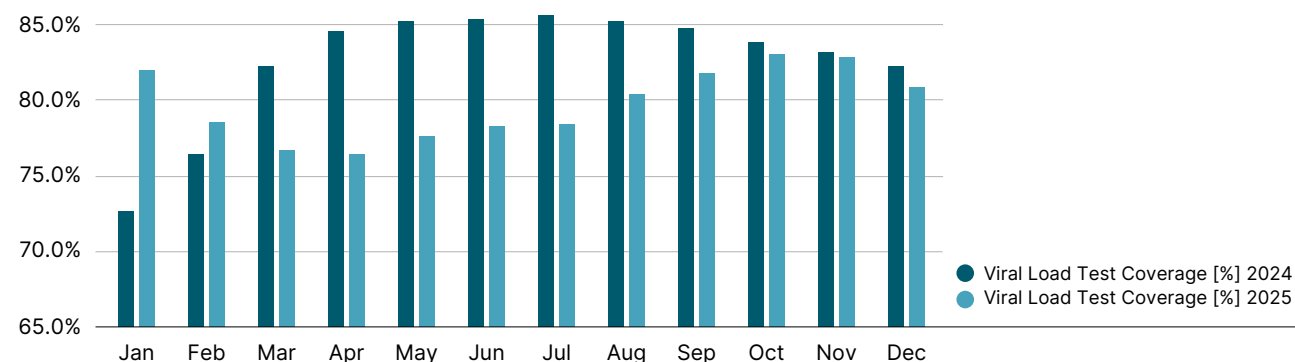
The USG has played a key role in supporting the HIV treatment and care cascade in Mozambique; providing clinical support packages in a multitude of health facilities covering 85% of ART patients. This support covered service delivery human resources, clinical and preventive services, electronic systems for patient monitoring, and data reporting. The USG Stop Work Order issued on 25 January triggered temporary layoffs of 20,000 healthcare workers including data clerks and community health workers, contributing to a decline in new ART initiations and data quality, before a gradual recovery later in 2025 (see figure 3 below). At the time of disruption, the Ministry of Health (MoH) requested health facilities to train and adjust government staff roles and resources, to keep core HIV services running.

Figure 3: Trend of new ART initiations



The lack of healthcare workers coupled with the disruption of sample transportation adversely affected the coverage of viral load testing for ART patients (figure 4 below)

Figure 4: Viral load testing coverage



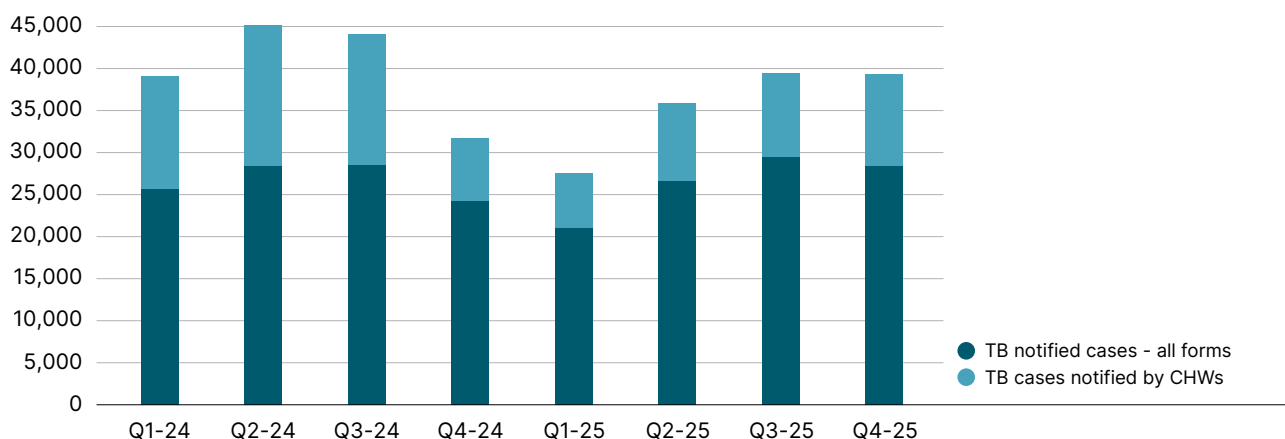
Despite these operational disruptions, Mozambique did not experience major stock-outs of antiretroviral medicines, HIV test kits, or laboratory supplies. The Global Fund and a USG waiver supported continued availability of commodities.

HIV prevention services were, however, significantly impacted. USG-supported prevention services for key populations and adolescent girls and young women (AGYW) were discontinued in February 2025. To mitigate this, Global Fund grants were modified to expand their coverage of prevention activity. However, these mitigation efforts remain limited in scale relative to the breadth of services that were discontinued.

## Impact on Tuberculosis Program

During the disrupted period, TB case notifications declined and later began to recover, while the proportion of TB notifications contributed from community referrals fell from 55% in September 2024 to 34% in December 2025 (see figure 5).

Figure 5: TB case notification trend



This was linked to major disruption in two key areas where there was significant USG support.

A USG-supported sample transportation system, including TB sample transportation, was suspended for three months before resuming in June 2025. In response, the Government attempted to mitigate this through using ad hoc transportation services such as ambulances.

USG Community-based TB programme in four provinces closed in June 2024 at end of grant period, and the planned successor programme (FORTE) was terminated in February 2025 before implementation following the stop work order. In response, The Global Fund HIV/TB grant (MOZ-C-CCS) was readjusted by Principal Recipient to cover TB community-based activities in one province, with STOP TB / USG covering another three provinces. Implementation was planned to start in January 2026 until September 2026.

### Impact on Malaria program

There was almost 100% nationwide coverage of malaria case management (testing and treatment using ACTs). This was due to the high levels of stock at the start of 2025. However, there are risks to maintaining this going forward.

There were delays in the procurement of ACTs and mRDTs, increasing the risk of stock-outs at service delivery points and disruptions to community level case management. Stock levels at the central level have been falling below the required nine month minimum level since September 2025. Delayed deliveries of community health commodities may have prevented Community health Workers (CHWs) from continuing to deliver case management services at community level between October 2025 and January 2026.

### Integrated Systems for health

The USG supported last-mile distribution of health commodities to facilities. This activity faced several temporary suspensions between January and June 2025. February 2025 was the most affected month, with only half of requisition orders processed. During these suspensions, provinces partly filled the gap using their own transport mechanisms to deliver essential commodities. The availability of key health products remained largely stable, with stock-out rates in February and March 2025 similar to 2024.

However, reduced USG support for the eLMIS weakened real-time visibility of stock levels at peripheral sites. LMIS reporting declined from 95% in January to 81% in October 2025, affecting key PSM processes including the development of distribution plans.

Last-mile distribution and LMIS support are among key areas of consideration under the ongoing USG bilateral arrangements.

## 2.3 High-level description of the adapted GC7 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’s 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 Mozambique Country Coordinating Mechanism (CCM), the Principal Recipient (PR), and other relevant in-country stakeholders on 30 June 2025.</i> | <p>The reduced allocation and indicative grant amounts were <b>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.
- Review the 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 seven grants, and that they maintained their original programmatic scope and fulfilled all review and approval requirements, as set forth in the GC7 mid-cycle Reprioritization Guidance.</b></p> <p>The OIG confirmed that all seven grants maintained their objectives and core interventions, with only minor activity adjustments. These changes are unlikely to affect overall objectives. For the malaria grant (MOZ-M-MOH), modifications were made to the performance framework following the approval of additional funding from the Climate and Health (CxH) Catalytic Investment Fund. Specifically, the change was made to the indicator related to the seasonal malaria chemoprevention intervention to reflect its expansion.</p> <p>However, for the RSSH (MOZ-S-MOH) grant, two interventions (worth US\$2.1 million or 3% of initial budget) experienced significant reductions in scope, meeting the definition of an <i>effective deletion</i>,<sup>3</sup> where the scale of an intervention is reduced to the extent that its intended outputs or objectives are no longer feasible. Although such cases require consultation with technical teams when deemed non-material by the Country Team, the revised budget was reviewed and concurred with by the SIID/TAP RSSH advisors. However, the two budget reductions were not specifically identified or explicitly addressed during their review.</p> |

3 Specifically, cuts exceeded 80% on items over US\$100K (e.g., LMIS reduced by 90%, Laboratory-based Surveillance reduced by 82%)

### 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 reviewing 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 a 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 14 July 2025, the CCM Chair and CSO representative signed the modification proposals for three grants following the reprioritization exercise conducted within the 14 July deadline.</p> <p>The communication was signed by the CCM Chair, and the CCM Vice Chair who is also the Civil Society Organizations representative.</p> |

| Process sub-step                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | OIG opinion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <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 OIG found that the <b>revision and reprioritization process involved adequate engagement with the CCM and community stakeholders.</b></p> <p><b>There were no changes to the programmatic scope</b> of any Global Fund GC7 grants in Mozambique.</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 Country Team conducted a one-week mission to Mozambique (2–11 July 2025) alongside PRs and the CCM to provide strategic and technical support for the revision of Global Fund grants, following a significant reduction in the GC7 allocation (from US\$797M to US\$705M). The Secretariat also facilitated the sharing of relevant documentation and analysis, and responded to requests for clarification or additional evidence.</p> <p>Subsequently, on 23 July, the CCM shared with the Country Team a detailed narrative of the adjustments made by grant which were agreed upon during discussions with the CCM and Principal Recipients.</p> <p>Between June and July 2025, the CCM in Mozambique organized a series of meetings and participatory workshops to discuss grant revision with Principal Recipients and civil society organizations.</p> <p>While the level of engagement with in-country stakeholders aligns with the revision guidance requirements, the CCM raised concern about the lack of early consultation during the pausing period (April to May 2025) which had limited its opportunity to fully participate in the entire revision process.</p> |

### 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 of CCM requesting modifications to the indicative grant amounts.
- Process followed by the CT in assessing CCM-proposed modifications to indicative grant amounts.
- The process for determining the need for further revision.

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

| Process sub-step                                                                                                                                                                                                                                                                                                                                                                          | OIG opinion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><i>Review of proposed modification to program split and confirmation of reduced grant amount</i></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>The OIG found that <b>the Secretariat reviewed and processed the CCM Mozambique's request to adjust indicative grant amounts in a timely manner.</b></p> <p>On 14 July 2025, the CCM Chair and CSO representative signed the modification proposals for three grants following the reprioritization exercise conducted within the 14 July deadline.</p> <p>The changes aimed to fill gaps on TB community-based interventions coverage in four provinces, and to support the introduction of Lenacapavir (LEN PrEP) as part of the HIV prevention strategy.</p> <p>On 17 July, the Country Team provided each PR with guidance on the Grant Revision process, following the notification of the reduced amount for grants. All revised budgets were aligned with these final grant amounts.</p> |

| Process sub-step                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | OIG opinion                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <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 formally approved by the Head of the High Impact Africa 2 Department on 4 August 2025.</p> <p>There were <b>no 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>An Implementation Letter is not required for budget revisions. However, Implementation Letters were issued for three grants that received additional Climate &amp; Health catalytic funding. Performance Framework changed specifically for the Malaria grant revisions in consideration of this additional funding.</p> <p>The revised budget amounts reflected in the Implementation Letters are accurate and consistent with the approved reduced funding for each grant in Mozambique, and no discrepancies were identified. The Implementation Letters were duly signed by the Country Portfolio Manager, with the CCM Chair, CCM Coordinator, and the Local Fund Agent (LFA) copied.</p> <p>Notification Letters<sup>4</sup> were sent to Principal Recipients between 3 October and 19 November 2025.</p> |

<sup>4</sup> MOZ-TB-MoH on 3 October, MOZ-H-MOH on 10 October (with a correction resent on 23 October), MOZ-S-MOH on 14 November, and MOZ-HIV-FDC on 19 November.

## 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.

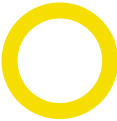
## Annex 1: Rapid Assurance Review Rating and Methodology

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. |