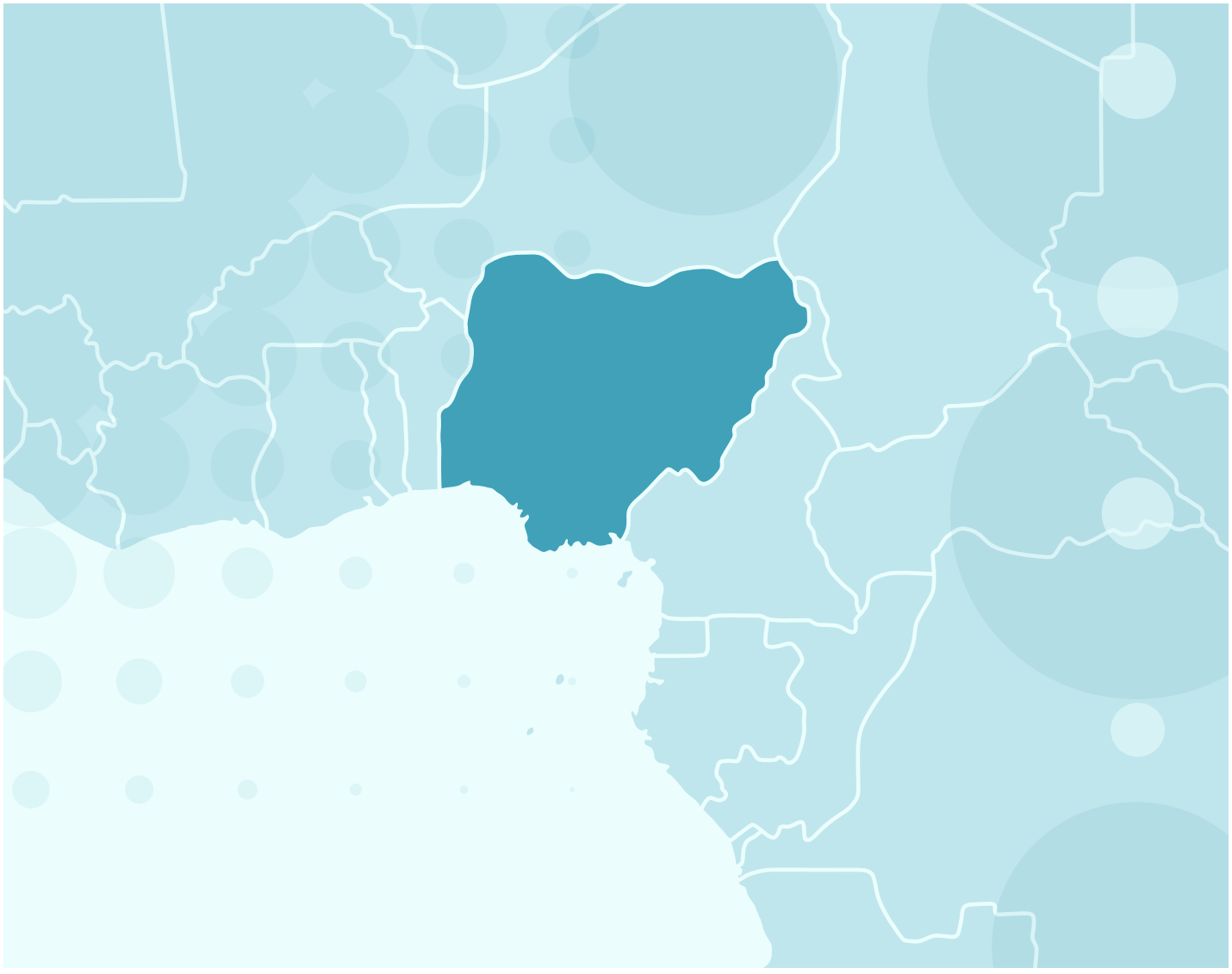
THE GLOBAL FUND
Office of the Inspector General

Rapid Assurance Review

Implementation of the Grant Revision process of GC7 grants for Nigeria

GF-OIG-26-010
23 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.

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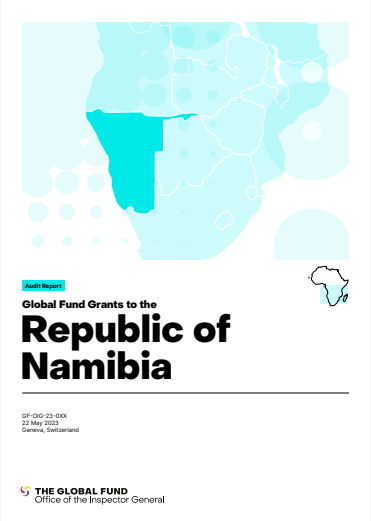

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What is an OIG Rapid Assurance Review?

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.

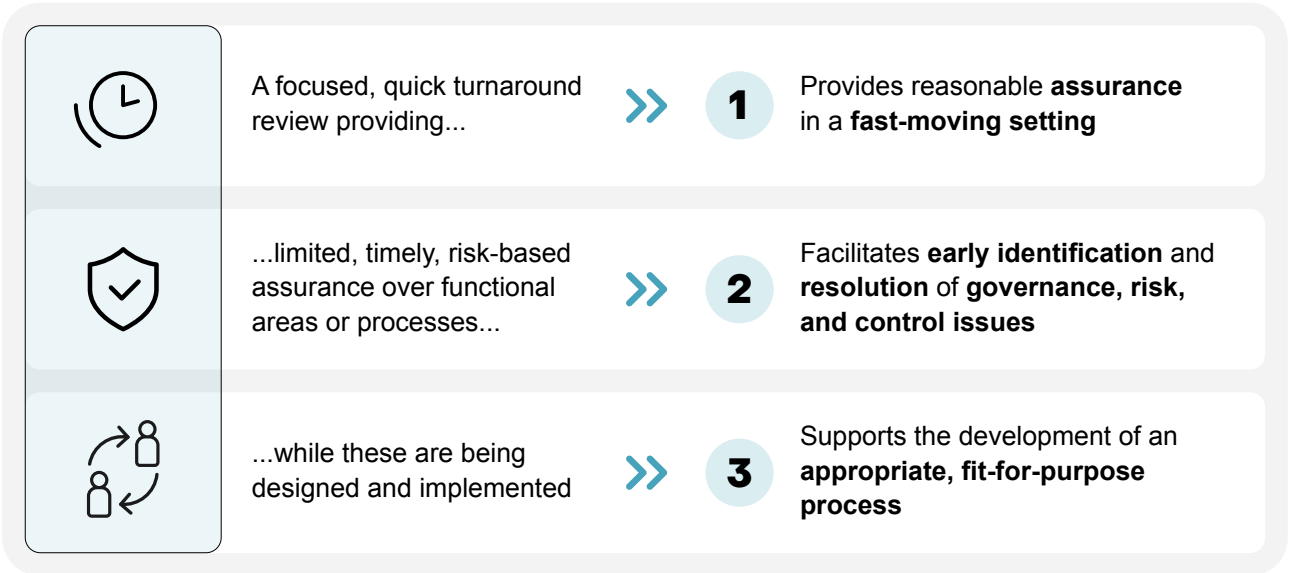
The OIG takes a variety of measures to mitigate two inherent risks with these types of reviews:

(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	**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 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 revised country funding envelopes.**
Scope	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 inquired into the effects of changes in the health financing landscape on country programs implementation. 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 to these evaluations. 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. The OIG did not opine on either the impact of the grant revision process or on the effectiveness of country and partner adaptations, given the limited time since implementation.

Review questions and observations

Review Questions	Observations
Was the communication of revised allocations by the Global Fund Secretariat to the Country Coordinating Mechanism (CCM) and Principal Recipients (PRs) accurate?	GC7 Grants in Nigeria were reduced by US$95.5 million as a result of the reprioritization process. **The revised allocation communicated to the Country Coordinating Mechanism (CCM) and Principal Recipients (PRs) was accurate. No discrepancies were identified** in the communication letter from the Global Fund Secretariat to the CCM and PRs. **The communication was issued in a timely manner**, consistent with the timelines outlined in the Guidance on GC7 Mid-cycle Reprioritization and Revision.
Was the grant revision approach (i.e., budget or Programmatic Scope Revision) appropriately classified and approved in line with Global Fund policies and guidance?	**The grant revision approach for Nigeria's GC7 reprioritization was classified as a material budget revision.** Accordingly, the revision process followed the guidance set in the Revised Grants OPN.[1] The OIG assessed that the approach meets the criteria for a material budget revision, and classified appropriately and in line with the Guidance on GC7 Mid-cycle Reprioritization and Revision.

1 The Global Fund's Operational Policy Manual - *November 2025*

Review questions and observations	Review Questions	Observations
	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?	The Global Fund Secretariat provided **sufficient and appropriate engagement and support to the CCM and community stakeholders during the reprioritization and grant revision process**. The Secretariat provided clear and well-articulated guidance throughout the reprioritization process. The Secretariat also supported community engagement through Technical Assistance provided under the GC7 community Engagement Strategic Initiative.
	Were the Global Fund Secretariat processes adequate to ensure consistent, transparent, and timely review and approval of grant revisions?	The Global Fund Secretariat process for the revisions was **structured and transparent**, following the reduced allocation letter. **Notification Letters confirming the reduced funding amounts were accurate, and issued promptly**. The Country Team conducted a reprioritization review in line with guidance, and engaged with relevant stakeholders, both within the Secretariat and the country. Revisions were correctly classified in line with the GC 7 reprioritization guidelines, and formally approved by the **Head of the High Impact Africa 1 Department**, reflecting consistency and timely execution of procedures.
	Was the information provided through the Implementation Letter to finalize the Grant Revision process accurate and appropriately signed off?	**None of the grants required the Secretariat to issue an implementation letter,** as all revisions were classified as budget revisions. Approved revised budgets were communicated to the PRs via separate emails dated between the end of October and the beginning of November 2025.
OIG Rating	**No Material Issues Noted**	

2. Country Context, Health Financing Shifts and Programmatic Implications

2.1 Nigeria and the Three Diseases[2]

Country context

232.7 million
Population (2024)

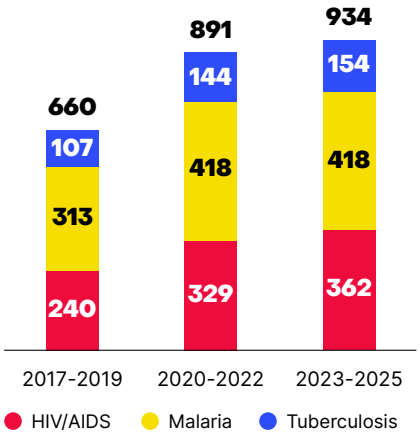
US$1,084
GDP per capita (2024)

0.60%
Domestic general Govt. health spending (% GDP) (2023)

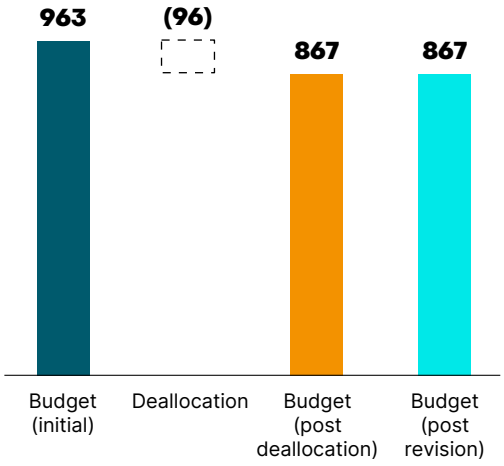
- High Impact (HI) portfolio
- Additional Safeguards Policy (ASP)
- Challenging Operating Environment (COE)

Global Fund allocation and grants

US$4.23 billion
Global Fund disbursements since 2003



US$933 million
Global Fund allocation (2023-2025)



US$867 million
Post revision budget split (2024-2026)

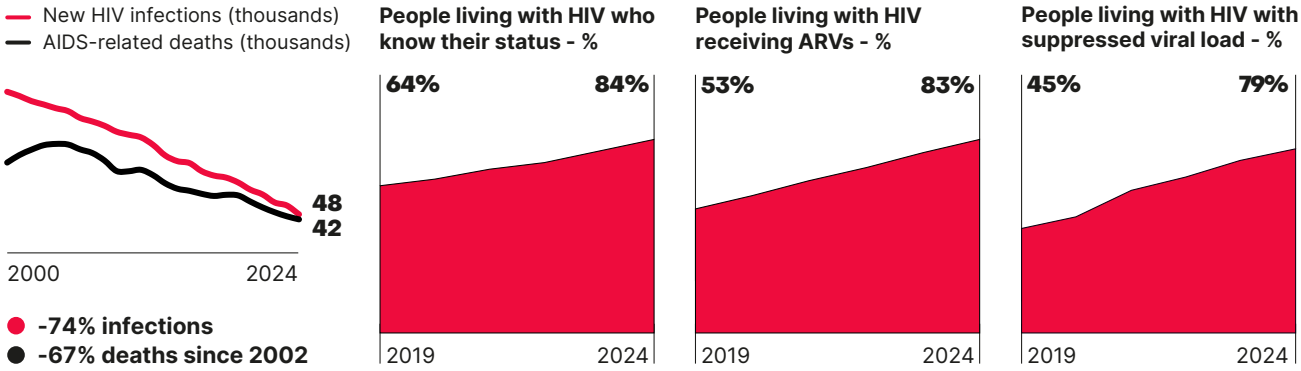
Component	Civil Society Organizations	%	Government	%	Total
	-	-	US$32M	3.7%	US$32M
	US$306M	35%	-	-	US$306M
	-	-	US$114M	13.1%	US$114M
	US$295M	34%	US$70M	8.1%	US$365M
RSSH	-		US$50M	5.7%	US$50M
Total	**US$601**	**69%**	**US$266**	**31%**	**US$867M**

2 Sources: World Bank Open Data, Global Fund 2025 Results Report, Global Fund Data Explorer, 2025 WHO reported data for TB and Malaria

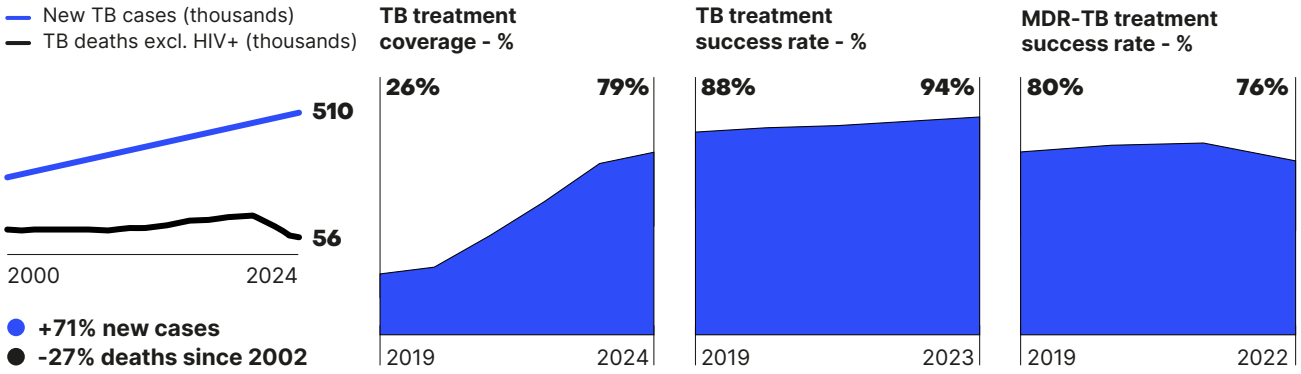
The Three Diseases[3]

Over two million people are estimated as living with HIV in Nigeria, the equivalent of 5.82% HIV burden among Global Fund supported countries (ranked 4th among Global Fund portfolios). Nigeria has 19.47% of malaria case burden among Global Fund supported countries (ranked 1st among Global Fund portfolios) and 4.72% of TB disease burden among Global Fund supported countries (ranked 5th among Global Fund portfolios).

HIV/AIDS evolution

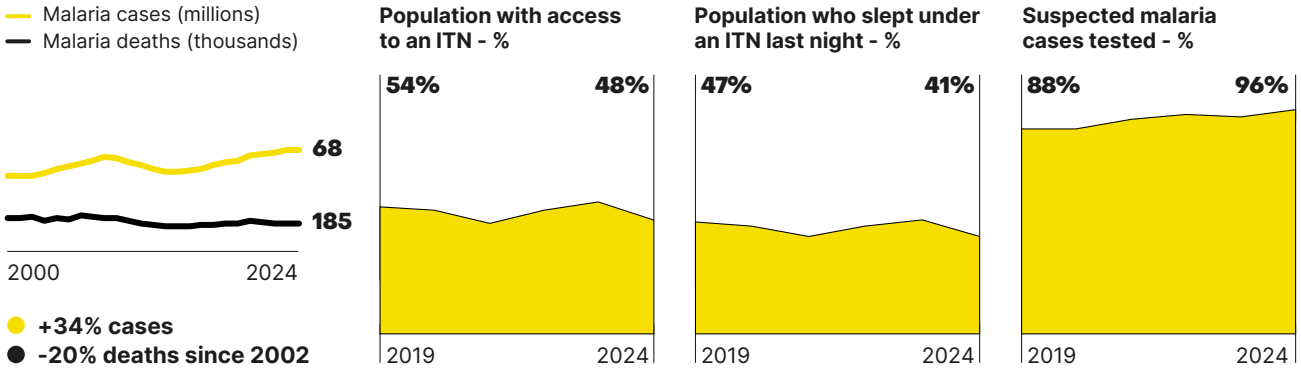


Tuberculosis evolution



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[4]



3 Sources: World Bank Open Data, Global Fund 2025 Results Report, Global Fund Data Explorer, 2025 WHO reported data for TB and WHO World Malaria Report 2025

4 Sources: World Malaria report 2025, associated annexes and WHO data from Global Health Observatory

2.2 Effects of changes to the health financing landscape

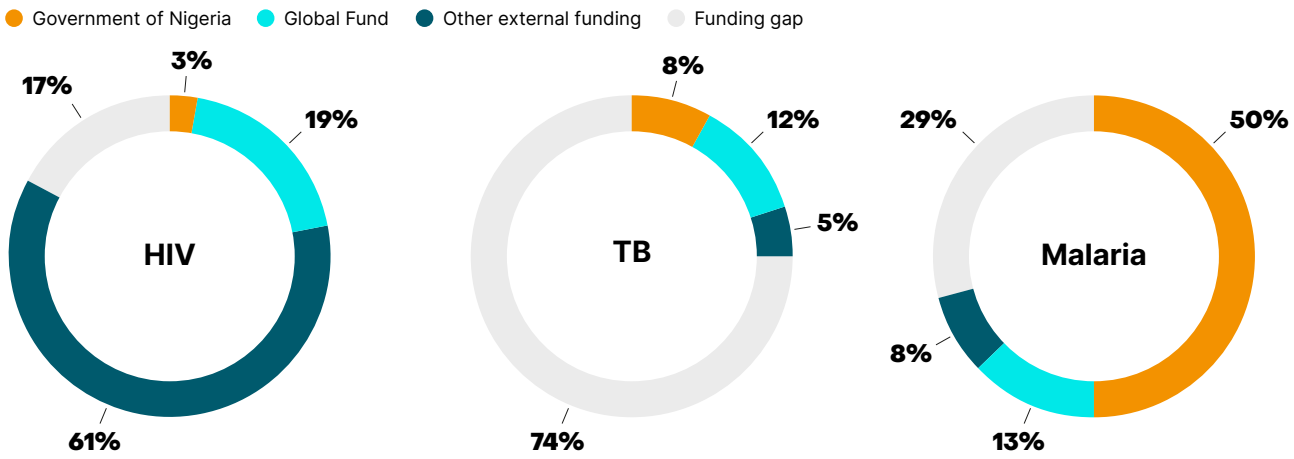
The following section relating to country-level disruption to HIV, TB and malaria programs relies on reported data and information from 3rd party sources including national disease programs and in-country partner reports. These were not independently validated by the OIG.

Overall health financing landscape

Nigeria's health sector relies on both domestic and external financing, with external funding accounting for 11.3%[5] of total health expenditure (WB, 2023).

The country's HIV, TB, and Malaria programs under Grant Cycle 7 (GC7) are financed through domestic and external sources, with varying contributions by disease.

Figure 1: GC7 funding landscape data[6]



For HIV, services are implemented under HIV Alignment 2.0, a tripartite strategic partnership guide agreed between the key HIV program funders – the Government of Nigeria, Global Fund, and PEPFAR. The US Government pause on foreign aid assistance affected the PEPFAR supported programs as explained below. The Global Fund supports four states, funding HIV prevention for key populations and end-to-end treatment and care. It also funds nationwide PMTCT services, four PCR laboratories, and contributes to pooled procurement of commodities.[7]

For Nigeria's TB program, the Global Fund is the main external funder, providing nationwide support for TB treatment and care, TB commodities, DR-TB treatment centers, and financing TB diagnostics, including equipment and cartridges.[8]

5 World Bank Group - External health expenditure (% of current health expenditure) – *last accessed on 3 February 2026*

6 Funding Landscape Tables submitted by the Country as part of the GC7 Funding Request, April 2023

7 Other donors cover the remaining 32+1 states for HIV prevention and comprehensive service delivery, providing HIV treatment and PMTCT services through supported facilities, contribute to pooled procurement of commodities, manage warehousing and nationwide distribution of pooled commodities, and support 12 PCR laboratories. The Government of Nigeria plays a multi-sectoral role focused on coordination, policy, and leadership of the national HIV response, contributes to treatment and laboratory systems, as well as oversight and implementation support for prevention, PMTCT, and broader service delivery.

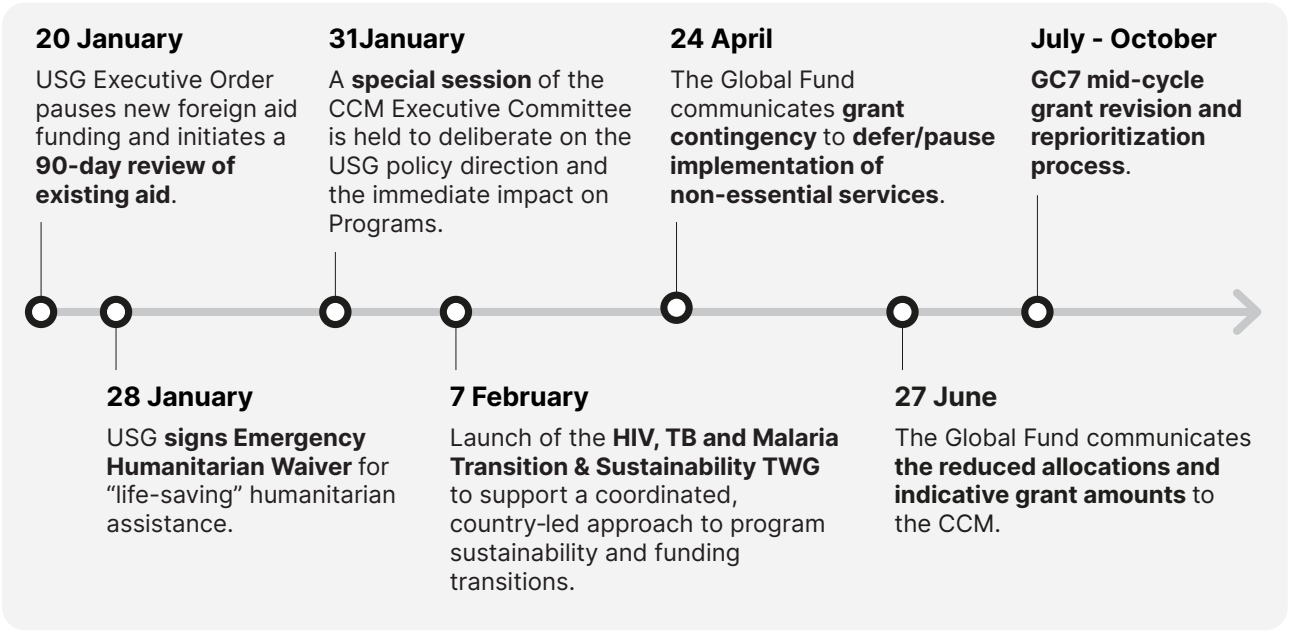
8 Other donors complement this through the TB LON project, supporting facility and community-based case finding in 18 states, procurement of 10% of diagnostic reagents, supporting salaries for laboratory technicians, strengthening the diagnostic network, and conducting DR-TB prevalence surveys. The Government of Nigeria remains responsible for national stewardship and policy oversight.

For Malaria, the Global Fund supports case management in 13 states and funds mass Insecticide-treated Nets (ITN) distribution campaigns, while also funding seasonal malaria chemoprevention (SMC) campaigns across 10 states and covering sulfadoxine-pyrimethamine (SP) for intermittent preventive treatment (IPT) where government funding has not materialized.[9]

Changes in the health financing landscape

In early 2025, the external financing landscape shifted. The US Government significantly reduced its foreign aid assistance, affecting Nigeria's health sector. In April, the Global Fund announced deferral of certain GC7 grant investments, followed by reduced country funding allocations in June.

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



9 Other donors fund case management, routine ITN distribution, IPT, and complement SMC campaigns in 11 states. The Government of Nigeria contributes through World Bank and Islamic Development Bank loans, which were intended to fund malaria case management, IPC and SMC in all other states.

Impact on HIV program implementation

Global Fund-funded states and services faced no interruptions, however there were disruptions in non-Global Fund-supported areas. Health facility–based HIV care and treatment continued largely uninterrupted, with stable service delivery and consistent availability of antiretroviral medicines. However, community-based services, including prevention, outreach, and differentiated testing for Key Population (KP), experienced a significant decline, as 80 One Stop Shop (OSS) centers[10] stopped providing services, and approximately 27,000 Community Health Workers (CHWs) were terminated. (see Figure 3 for details).

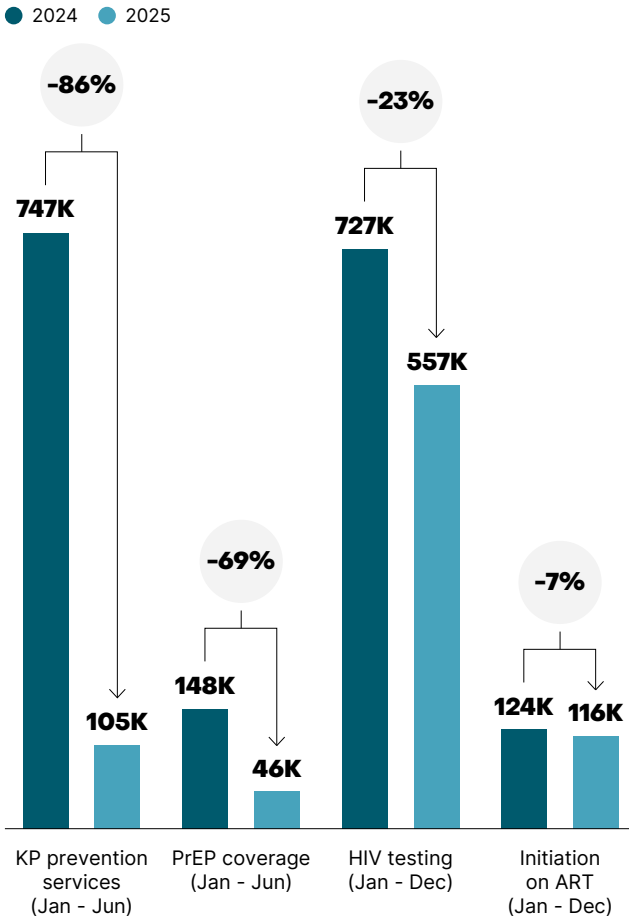
Pre-exposure Prophylaxis (PrEP) services continue to face interruptions following the January 2025 pause, with initiation decreasing from 58% to 26% of eligible recipients (Q1 versus Q2 2025). Dispensing remains constrained in 32+1 donor-supported states,[11] with US$1.52 million in stock at risk of expiry.

Several mitigation measures were implemented, with GC7 reprioritization playing a supporting role,[12] and joint planning between procurement and supply-chain teams strengthening last-mile distribution.

At the programmatic level, the design of the GC7 grant ensured minimal disruption to PMTCT services across all 36+1 states, leveraging Global Fund presence to maintain maternal and infant care continuity. The National HIV program began developing an HIV sustainability road map. For PrEP, mitigation efforts included sustaining distribution in four states and expanding to four additional states through revised GF budgets.

Looking ahead, funding shortages continue to threaten community-based services, limiting outreach, prevention, and differentiated testing services for KPs and PrEP delivery. Large volumes of PrEP commodities remain at risk of expiry, without resources for distribution.[13] However, measures have been put in place to try and mitigate this through distribution optimization and repurposing of short-dated PrEP for ART use. Persistent gaps in disaggregated data for KPs in 32+1 states weaken program monitoring and planning.

Figure 3: Effects of community-based services decline



10 Where they have reopened, they are operating as general population facilities with no dedicated services for Key Populations.

11 "32+1" primarily refers to the geographical focus of major donor-funded HIV treatment and prevention programs, particularly those supported by PEPFAR (United States President's Emergency Plan for AIDS Relief) and the Global Fund.

12 Funds were strategically redirected to protect ART continuity, maintain laboratory functionality, and safeguard essential supply-chain operations.

13 As of the audit date in January 2026, resources for distribution had not been identified. Subsequently, the situation evolved, with resources for distribution identified from CHAI and Global Fund.

Impact on TB program implementation

The TB program experienced disruptions following the halt of the TB LON project, resulting in the suspension of active case finding, contact tracing, treatment adherence support, and laboratory services across 18 states for 2 to 7 months.[14] As a result, there was an 11% decline in contact investigation coverage (semester 1 2024 versus semester 1 2025), and a 5% decline in TB case notification in 18 states over the same period. Key activities, including the DR TB Survey, Diagnostic Network Optimization (DNO), and private sector engagement, were also paused.

Mitigation measures included commodity order placement by the Federal Ministry of Health pending government disbursement of funds as at the date of the audit. UNOPS-funded laboratory support, state level reallocation of community health workers and Cough Officers, government support for the DR TB Prevalence Survey, and Global Fund GC7 budget adjustments to increase funding for DNO and for procurement of additional TB diagnostics.

Despite these measures, several risks to the TB program remain. The reduction in active case-finding activities is likely to further impact TB detection rates. The sustainability of community health workers remains uncertain due to state-level funding shortfalls. Limited advocacy for private sector resource mobilization may prolong reliance on donor funding, and inhibit domestic financing. Finally, funding gaps and delays in government disbursements raise the risk of stock-outs of essential commodities, with shortages projected as early as June 2026, which could severely compromise continuity of care and treatment outcomes.

Impact on Malaria program implementation

The Malaria program experienced limited disruption due to the geographic separation between Global Fund-supported and partner funded states, with no impact in 13 Global Fund supported states and moderate disruptions in 11 partner funded states where services were partly state financed. While national malaria service delivery remained broadly stable, several technical activities were affected, including pauses in therapeutic efficacy studies (14 sites), entomological monitoring (12 states), delays in ITN procurement, and the withdrawal of funding for the Malaria Indicator Survey (MIS).

Mitigation measures included repurposing of health workers, introduction of the USG-supported REACH Project at reduced scale, Global Fund support for key surveillance activities, partner funded restoration of entomological studies (6 states), restoration of the annual conduct of Therapeutic Efficacy Studies in 4 sites with support from GF & USG, and World Bank support to MIS.

While measures were put in place, several risks remain that could impact the Malaria program. Large funding gaps persists, reliance on external donors continues to be high, exposing the program to future funding volatility. Furthermore, gaps in entomological monitoring remain, limiting the country's ability to detect changes in vector resistance or transmission patterns. These unresolved challenges pose risks to the long-term sustainability and effectiveness of malaria control efforts, particularly in high-burden or donor-dependent areas.

14 These interruptions lasted approximately two months in fourteen states and seven months in four states.

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'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
The Global Fund communicated the reduced allocations and indicative grant amounts to the Nigeria Country Coordinating Mechanism (CCM), the Principal Recipients (PRs), and other relevant in-country stakeholders at the end of June 2025.	The OIG reviewed the Secretariat's communication to the CCM and PRs and confirmed that the reduced allocation and indicative grant amounts **were accurately communicated to country stakeholders, aligned with the final approved figures**, and incorporated all qualitative and other adjustments. The letter included a clear breakdown comparing the revised indicative grant amounts against the original budgets to facilitate review and comparison.

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 process 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' budgets is 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
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: • *Whether programmatic or budgetary changes from the reprioritization exercise require a formal revision.* • *Whether there is any change in programmatic scope.* • *The impact on compliance with Matching Fund access or programmatic conditions.* • *Whether all outstanding Technical Review Panel (TRP) issues can still be addressed.* *The rationale for these decisions is documented for each grant, and submitted to the Regional Manager or Department Head for approval.*	**The OIG found that the Revision Decision Form was properly used for all grants. They maintained their original programmatic scope and fulfilled all review and approval requirements set forth in the GC7 mid-cycle Reprioritization Guidance.** The OIG confirmed that each grant maintained its programme objectives and performance framework targets. Where interventions were added, deleted,[15] or they were assessed as having no material impact on the overall achievement of programme objectives. Additionally, the OIG reviewed internal communications, assessments, and approvals, and confirmed that the required processes were properly followed in every case, with no exceptions.

15 Based on the Internal Guidance on GC7 Mid-cycle Reprioritization and Revision, an intervention is removed entirely/effectively deleted because it is no longer aligned with partner coverage or gaps, or because another funding source (including C19RM or external) will fully finance it.

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
Review of indicative grant amounts *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.* *If the CCM does not respond within this timeframe, the indicative amounts are automatically confirmed as final.*	The OIG found that the **CCM's review and endorsement process was consultative, involving multiple stakeholders, including community and civil society representatives**. After the Global Fund communicated the reduced allocations and indicative grant amounts on 27 June 2025, the CCM submitted a Grant Amounts Modification Form on 14 July 2025. In this form, the CCM proposed reallocating funds between two grants, reducing one grant by US$6 million and increasing the other by the same amount, to address the shortfall in drugs and reagents for the TB program during the current implementation period. On 14 July, the CT informed the CCM that the form had been submitted **after the approved deadline and did not include the required support documents**.[16] Consequently, the CT could not proceed with the proposed changes and the CCM did not provide evidence on this having a negative impact on the overall revision process.

16 CCM meeting minutes detailing the deliberations

3.3 Engagement with CCM and community stakeholders

Process sub-step	OIG opinion
Review of reprioritization and revisions decisions *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.* *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.* *For material Budget Revisions, CCM endorsement is not required, but the PR is required to inform the CCM prior to submission.*	**The OIG found that the revision and reprioritization process involved adequate engagement with the CCM and community stakeholders.** This participatory approach included the establishment of eight Technical Working Groups (TWGs) across key implementation areas, bringing together diverse stakeholders and featuring strong civil society leadership. Within these TWGs, a client pathway approach was applied to help optimize intervention packages and prioritize activities in the context of reduced resources. Although GC7 mid-cycle reprioritization guidance did not require CCM endorsement for budget reviews, the **CCM reviewed and endorsed the reprioritization and revisions decisions decisions before submission to the Global Fund.** The Global Fund Secretariat provided **proactive guidance and support** to the CCM, PRs and communities. For instance, through CRG Department, rapid peer-based technical assistance was deployed to strengthen community engagement for the reprioritization process. This support, along with engagement of the advisor, enabled community and civil society representatives to participate meaningfully in the exercise. In addition, the CT undertook early, proactive engagement and scenario planning, and provided clear guidance to PRs and SRs on slowing non-essential activities and continuing life-saving interventions, which paved the way for reprioritization, of interventions in a reduced resources context.

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 Global Fund Secretariat 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
Review of proposed modification to program split and confirmation of reduced grant amount *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 modified grant amount.*	As noted above, after receiving the reduced allocations and indicative grant amounts on 27 June 2025, **the CCM submitted a Grant Amounts Modification Form on 14 July proposing to reallocate US$6 million from one grant to another to address a TB program shortfall.** However, this request was submitted after the deadline and lacked the mandatory CCM meeting minutes documenting the decision. As a result, the CT did not approve the proposed changes.
Review and approval of PR revised grant documents *The Country Team reviews grant documents to ensure alignment with agreed priorities and reprioritization guidance.* *For Programmatic Scope Revisions, approval authority depends on whether heightened review is required:* • *Without heightened review: Approved by the Regional Manager or Department Head (RM/DH) and Grant Finance Manager (GFM).* • *With heightened review: Requires either GAC review and approval, or TRP review, followed by RM/DH and GFM approval.* *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.*	The OIG found that **the Secretariat's review and approval process of the revised grant documents was conducted in accordance with the approved guidelines and procedures. There were no Programmatic Scope Revisions.** The OIG noted that the CT maintained active and continuous engagement with in-country stakeholders throughout the revision process, complemented by the strategic use of the Local Fund Agent's support. During its mission in July, the CT convened a series of structured consultations with national disease programs, PRs, and other key stakeholders to jointly review reprioritization proposals and assess the rationale behind them. These engagements were carried out through both plenary discussions and targeted parallel working groups. This approach provided a platform for technical deep dives, ensured transparency in decision-making, and helped stakeholders align on the implications of proposed adjustments. This proactive approach gave the CT early visibility, enabling the timely resolution of key issues, and facilitating the review and approval of the PR's revised grant documents after formal submission.

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 to the PR for grants with material budget revisions.
- Global Fund communication of the final revised grant budget via implementation letters to the PR for grants with programmatic scope changes.

Conclusion: Secretariat's final communication to finalize the Grant Revision process was **accurate and appropriately signed off**.

Process sub-step	OIG opinion
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: • *The revised Grant Confirmation table.* • *The revised Summary Budget.* • *The revised Performance Framework (in exceptional cases).* • *Any additional or amended grant requirements related to the revision.* *The fully signed Implementation Letter formalizes the approved revisions and enables implementation.* *Budget Revisions do not require an Implementation Letter.*	The OIG found that the **revised grant amount, summary budget, and amended grant requirements were accurately captured in the final communications** of the revised grants. As outlined in the Global Fund's Guidance on Revisions, an Implementation Period (IP) letter is required whenever programmatic changes are proposed, ensuring that such adjustments are formally justified and documented. In this case, however, the revisions involved material budget changes only, with no programmatic alterations, and therefore issuing new IP letters was not required. The OIG noted that the Global Fund formally notified the PRs and the CCM Secretary of the approved revised budgets through separate emails in October/ November 2025. **The communication included the individual reduced allocation letter, the revised summary budget, and the detailed budget.**

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
No material issues noted	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.
Some concerns noted	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.
Significant issues noted	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.
Not able to conclude	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.