

January 25th, 2023

Honorable Ministries and Secretaries of Health,

It is my honour to present this progress report on the key actions undertaken during my managerial responsibilities as Global Fund Board Member for the Latin American and Caribbean constituency, as temporary replacement of Dr. Mirta Roses for a one-year period starting in April 2022.

The LAC Delegation participated in the **Forty Eighth Meeting of the Board** held in Geneva, Switzerland on November 15-17, 2022, and was headed by myself, Board Member; the Hon. Senator Jonathan La Crette, ABM, Minister for Health, Wellness and Religious Affairs, Grenada; Dr. Gabriela de la Iglesia, Latin America Communication Focal Point (Argentina); Ms. M. Joan Didier, OECS RCM Representative (Saint Lucia); Dr. Lourdes Kusunoki, Coordinator of the "TB Laboratory Diagnostic Strengthening for the Americas Region", PR - ORAS/CONHU (Peru); Mr. Edner Boucicaut, Caribbean CSO Member, Former Chair of CCM Haiti (Haiti); Mr. Lucien Govaard, CariFLAGS Co- Chair, Youth Representative (Suriname); and Mr. Dereck Springer, Former PANCAP Director (Guyana).

LAC Delegation commended the Executive Director (ED), the Global Fund Secretariat (GFS), United States of America, the host of the Seventh Replenishment, donors and partners for the outcome of the replenishment as well as for their sincere efforts to achieve the target defined in the investment case (at least US\$ 18 billion). LAC concurred with the Audit and Finance Committee (AFC) on the importance of continued resource mobilization efforts to unlock more of the US government's USD 6 billion pledge (US contributes a third of all funding), as well as the need to encourage the Secretariat to secure pledges from donors that were unable to make pledges in New York and from new potential public and private sector donors, and requests further elaboration on in-kind contributions and other set asides from donors.

The Board welcomed the Seventh Replenishment outcome of **US\$15.7 billion** announced by the Secretariat during the Board meeting in Geneva. This came two months after a successful pledging conference in New York that secured pledges of over US\$14.3 billion, and subsequently by additional pledges from donors including India, Italy, Thailand and the United Kingdom. According to the results of the Seventh Replenishment and the current resource mobilization scenario, LAC noted that there will be repercussions that will translate into reduction in the total amount of funding available for country allocations and catalytic investments. LAC also emphasized the severe impact of COVID-19 on the fiscal situation of our implementing countries and the urgent need to consider the increasing challenges in committing agreed domestic financing in the current grant cycle. LAC encouraged an exceptional technical and financial effort to ensure sustainable outcomes in LAC and all countries in transition. LAC Delegation expressed a commitment to continue providing guidance to find innovative approaches tailored to regional and country needs to address most affected populations while ensuring their timely access to prevention and health services.

In addition, LAC encouraged the Board to redouble its efforts to seek to respond to the false dichotomy between the total amount available for allocations versus the needs, to ensure that the investments are more efficient and integrated, more impactful, less vulnerable to fraud and diversions, and ensure the attainment and sustainability of agreed goals and targets. The LAC Delegation acknowledged that reduced funding for countries and significant reduction in Catalytic investment (CI) will have major implications for the response to the three diseases in regions of the world where such decrease in investment will have major impact. Although the CI modalities that include Matching Funds, may not have significant impact for the LAC Region, LAC Delegation noted that Strategy Initiatives such as multi-country projects may be affected. LAC Delegation, the Strategy Committee (SC) members and other constituencies expressed concerns regarding this decreasing investment scenario in the Catalytic investment. Despite the fact that this issue was not included on the agenda of the Board, LAC requested the Board Leadership to facilitate a deeper discussion during the Board Meeting. Furthermore, the Implementer Group Joint Statement, on behalf of its 10 Constituencies, urged the Secretariat to take the necessary actions to maintain these critical investments, in particular Multi-Country Grants within the base case scenario since such Grants take advantage of their added value and complementarity to contribute to the attainment of disease elimination, especially in the LAC Region.

Once again, LAC Delegation congratulated the ED for his ongoing actions under the COVID-19 Response Mechanism and the Grant Flexibilities to protect Global Fund's core mandate of ensuring an adequate response and programme continuity in the challenging pandemic scenario. LAC acknowledged the ED's commitment to improve communication, keeping all informed through his COVID-19 regular reports. LAC also commended the GFS Team for their excellent work in developing the robust M&E Framework (including KPI and Multi-Year Evaluation Calendar) while recognizing its value and quality that complement the GF Strategy Narrative 2023-2025 approved by the Board in November 2021. LAC Constituency also added a few suggestions to individual indicators which were shared in advance of the last SC Meeting. Under the umbrella of this M&E Framework, LAC considered that it is key to have a purpose driven data collection approach since collecting data that will not translate into decision making and action will entail a great deal of effort especially when resources are not available, and this will not really provide additional information for programmatic action. Therefore, LAC shared some overarching concerns and questions that need to be addressed: the importance of defining what the GF is planning to do with the data; how will this mechanism interact with other mechanisms especially in non-eligible countries; and how we will continue the efforts of Global reporting and comparability of information across GF eligible and non-eligible settings in collaboration with partners as part of the shared accountability principle. In addition, LAC stressed the need to address a Country-driven data collection approach; taking into account that countries have many challenges related to reporting on some indicators, and therefore should identify their needs in terms of capacity and as much as possible use routine data, especially in programmes that have limited human resources available.

The Board also considered the use of domestic funding to purchase through Wambo; the NextGen Market Shaping Approach as well as the Global Fund engagement with the

Pandemic Preparedness and Response (PPR) Financial Intermediary Fund (FIF) at the World Bank.

LAC acknowledged the importance of allowing countries to continue to use domestic funding to purchase through Wambo, especially if this remains as an optional tool to be offered for use alongside efforts to strengthen national and regional procurement and supply management capabilities, and particularly for ensuring that small countries that cannot negotiate the same rates on health products can have access through a pooled procurement mechanism (PPM). Bearing in mind that some countries would require a pre-payment solution to be able to access the non-Global Fund-financed procurement mechanism, LAC welcomed the Secretariat commitment to explore potential solutions to overcome this challenge in collaboration with partners and regional platforms. In this regard, LAC Delegation highlighted that the Region of the Americas has its own Pooled Procurement Mechanism (PPM) - the Strategic Fund (SF) which was created by PAHO/WHO at the request of Member States alongside an older mechanism for Vaccines which is used for pooled procurement. LAC outlined several advantages of the PAHO SF mechanism such as the credit line facility of this mechanism which is a huge opportunity to prevent stock outs, the in-country technical assistance throughout the procurement process, as well as knowledge of and close relationship with regulatory and customs authorities, this mechanism also improves the end-to-end management of national health products by strengthening the environment of quality supply chains and ensuring quality assurance of the supplies and products, thus differentiating it from other mechanisms that only consider supply driven approaches. Furthermore, LAC reminded that through the implementation of PAHO SF availability, accessibility, and affordability of ARVs have become a reality and the use of generic drugs was heavily promoted; and building on this success the platform began including other commodities, such as, diagnostic, viral load, the GenXpert, and similarly in TB and Malaria. Procurement is not limited to PAHO/WHO Strategic Fund but it is also done through other modalities such as the most recent approach which focused on bilateral negotiations between SE-COMISCA and donors through the Joint Negotiation Mechanism COMISCA® led by SE-COMISCA. Based on the LAC Region experience and lessons learned, the GFS, in collaboration with PAHO SF Unit, should strive to use that leverage of innovation management to overcome challenges and explore potential solutions. Finally, LAC Constituency stressed the need to ensure a high level of experience in providing technical assistance to support the procurement process, transparency, accountability and quality assurance of the supplies and products that is independent of the PPM selected.

With regards to the development of Catalytic Investment Case for Strategic Initiative funds to support the interventions of the NextGen Market Shaping Approach, LAC concurred with concerns raised regarding the lower funding scenarios as scale interventions are needed to achieve impact. LAC also expressed concern that equitable access will be more challenging and potentially impossible with fewer resources as well as with the Strategy Committee members suggested review of the Catalytic Investments as part of the overall Sources of Funding and Portfolio Optimization discussions.

Furthermore, LAC noted that there has been promotion of local manufacturing as a result of the procurement disruptions during the COVID-19 pandemic lock downs. Therefore,

LAC stressed the need to take stock of the lessons learnt, and to prioritise country ownership through local manufacturing and capacity building initiatives. LAC also recommended exploring opportunities for partnership efforts with PAHO SF Unit, as our main regional procurement platform, to improve capacity building for local manufacturing; while recognizing the added value of initial conversations held with other partners (e.g., USG, FIND, Gavi, IFC). LAC Constituency concurred with the proposed use of PPM/wambo.org to drive collaboration with regional platforms, such as accessing Global Fund's long term framework agreements, including joint tender approaches (e.g. PAHO), mainly as an enabler for strengthening the capacity of regional and national procurement channels. LAC also considered that the GF should strive to advocate for deeper engagement of regional research groups, academia expertise, civil society organisations (CSOs), community, and other groups that can offer and play a strong role in some of the groups, task forces, working groups that are taking shape around the implementation of the Next Gen Market Shaping Initiative, which is under construction.

Regarding the PPR Financial Intermediary Funds (FIFs) at the World Bank, LAC encouraged the Global Fund to remain engaged in FIFs discussions. Bearing in mind that the FIFs is lower in terms of financial availability but potentially similar to the one proposed by the GF. The Secretariat would need to consider ways to reduce duplicative grant approval and governance processes to reduce transaction costs, speed and impact. LAC also acknowledged that the Global Fund has relative comparative advantages in terms of its inclusiveness and emphasis on country ownership, and these conditions will ensure country-led investments and development of proposals through consultative processes, such as those of the Global Fund. There are several advantages of GFS engagement in this initiative development, which is still in an early stage, particularly considering that the countries that are eligible and the amounts available remain unclear.

In addition, LAC highly appreciated the Office of the Inspector General's (OIG) hard work to sustain its workplan implementation, having received significantly more allegations than forecasted. However, LAC reiterated that there is a need to strengthen monitoring to avoid risks related to fraud, corruption, abuse and sexual exploitation. LAC also thanked the Risk Management Officer and his team on the sharp risk analysis. LAC expressed concerns that several risk levels are expected to remain high in 2023; particularly, the ones related to the TB Programme Quality; Procurement; Grant-related Fraud & Fiduciary; and Accounting & Financial Reporting by Countries. Considering the volatile context, LAC encouraged the OIG to conduct a review of the CCMs' oversight and coordination responsibilities as well as increase and strengthen relationships with Audit National Bodies.

The Board most relevant decisions were: i) Extension of the COVID-19 Response Mechanism (C19RM) (approved unanimously); ii) Sources and Uses of Funds for the 2023–2025 Allocation Period (approved unanimously); iii) 2023 Work Plan and Budget Narrative and the 2023 Operating Expenses Budget (approved unanimously); iv) 2023-2028 M&E Framework, KPI Framework and Multi-Year Evaluation Calendar; and v) Advancement of Non-Global Fund-Financed Procurement Utilizing the Pooled Procurement Mechanism and wambo.org.

Thanks to the Replenishment outcome, the Board approved ambitious investments totaling US\$13.7 billion, including US\$518 million for catalytic investments and

US\$13.2 billion in country allocations – to more than 120 countries over the next three-year period to support countries to fight HIV, TB and malaria and strengthen their systems for health. Countries were informed how much Global Fund-supported grant funding they will each receive for the next cycle in December 2022.

Following the Board Meeting, on December 15th, the government of Singapore announced a pledge of US\$1 million to the Global Fund, recognizing the need for sustained financial support for countries and communities to fight AIDS, tuberculosis and malaria and strengthen systems for health.

Prior to the Board meeting and as part of **Implementers Engagement**, the Implementers Group (ImG) held a retreat and preparatory meeting in Geneva on November 13-14, 2022. The IMG out-going leadership, represented by Ms. Robin Montgomery (IMG Chair) and Dr. Gerald Gwinji (IMG Vice-Chair), presented the 2021 programmatic and financial report. The official handover process to the new leadership was completed, Dr. Miso Pejkovic and Ms. Yolanda Paul were nominated and elected as the new ImG Chair and Vice chair, respectively. The IMG also reviewed key issues and agreed on common positions particularly about the Strategy implementation including Sources and Uses of Funds including catalytic investments; 2023 Workplan and operating expenses Budget; the GF engagement with the PPR Financial Intermediary Fund (FIF) at the World Bank; the Extension of COVID-19 Response Mechanism; the M&E Framework including KPIs and multi-year evaluation calendar; and other critical agenda items of shared interest. As result of the discussion the Implementer Group leadership issued a Joint Statement, on behalf of its 10 Constituencies, to urge the Secretariat to take the necessary actions to maintain critical catalytic investments, in particular Multi-Country Grants.

Before the actual Board meeting, a **LAC Pre-Board Retreat** hybrid in-person and virtual Retreat was held in Panama on October 6, 2022, exclusively for LAC Delegation Board Members. and facilitate in-depth discussions based on the LAC Constituency Terms of Reference, allowing the delegation members to explore ways to improve LAC Delegation engagement, fluid exchange among members, internal communication and dialogue, information sharing, feed-back on specific consultations and outreach efforts. Based on the relation between the success indicators defined for each target outcome identified in the LAC Constituency workplan 2020-2022; an overview of the impact achieved by LAC Constituency was reviewed to define priorities for the next LAC Constituency Work-Plan. Input from participants were sought on relevant issues to be addressed in the October SC Meeting, such as, Next Generation Market Shaping, Communities, the M&E Framework, KPIs, and a decision on non-Global Fund-financed procurement through the Wambo.org platform.

Following the October SC Meeting and as part of the LAC Delegation engagement process, a LAC Delegation Call took place virtually on October 25, 2022. This virtual meeting was convened to receive feedback from Dr. Massimo Ghidinelli, SC Member, on critical issues that will have potential implications for LAC Constituency; such as, the need to protect the Catalytic Investment under the post-replenishment allocation scenario; the M&E framework approved and major difficulties in acknowledging partnerships with multilateral partners; as well as the Next Gen/Market shaping and the role of Regional Platforms acknowledged.

Regarding the LAC grant portfolio update, the evolution of Programmatic Performance (indicators that measure the ratings for LAC Grants) was greatly affected by COVID-19. LAC had experienced a decrease in performance trends in 2019 (pre-COVID-19 baseline). In 2021, there was a recovery compared to 2020 but the Region has not yet returned to the 2019 level. The consolidated view (programmatic and financial performance) of all the grants showed that only a minority of countries spent and delivered above 85% in 2021. Most countries programmaticaly were between 60-85% and the expenditure rate was fairly low. On the financial side, the data analysis revealed that the 2021 C19RM level of budget utilization was 58% in core countries at the end of July 2022, but the rate of budget utilization was slightly better (78%) when the data was analyzed at focussed countries for the same period. The expenditure of the budget was only 27% which is extremely low and slightly concerning. Countries are being encouraged to reprogram C19RM funding.

Concerning the methods of work for Latin America's Representation, I would like to recognize the ongoing support received from the Latin America Communication Focal Point for the GF and the Area of Communication Platform support.

The Caribbean subgroup continues to be supported through the PANCAP/CARICOM platform. PANCAP/CARICOM is also the administrator of the funds received to support the LAC operations and PAHO /WHO provides administrative support to the Latin America representative for the operation and maintenance of the communication platform in Spanish to ensure a continuous flow of information within the Constituency and with other stakeholders in the Latin America sub-region. Funding also supports the provision of technical expertise in analyzing and compiling policy and strategy documents and comments from all stakeholders including PAHO, UNAIDS, CCMs and RCMs, and presenting and /or negotiating the regional position at the Board level.

Beyond my duties as GF Board member, I continue as Executive Secretary of the Ministry of Health Council from Central American and Dominican Republic (COMISCA) since August 1st, 2021, for a four-year period. In this group, I have the responsibility of contributing with my individual and collective professional experience in Public Health to support technically the political and strategic coordination. I have also participated in the LVII COMISCA ordinary meeting that was held in – person in Punta Cana on December 1-2, 2022, chaired by Dr. Daniel Enrique Rivera Reyes, pro tempore COMISCA Chair for the period between July and December of the current period. During this Regional Forum, the Ministers of Health identified and prioritized regional health issues to assess potential solutions to overcome these challenges. I have also attended the IV Latin American Forum on HIV/STI and the Technical Horizontal Cooperation Group General Assembly held in - person in Peru on October 25-27, 2022. The main objective of the meeting was to address a debate to contribute to the strengthening of an agile, effective and sustainable HIV response, in collaboration with partners, national programme managers, civil society and communities, to achieve HIV elimination in Latin America by 2030.

Dr. Massimo Ghidinelli, LAC Constituency expert and Audit and Former Unit Chief HIV/STI, TB and Viral Hepatitis – PAHO and Former Director, CDE PAHO

Washington, was appointed to the Strategy Committee (SC) for the period May 2022-2025. He attended the 20th SC meeting held in-person, on October 10th - 12th, and the follow-up SC meeting held virtually on November 7th. Relevant issues were addressed, and substantial contributions were made on the Next Generation Market Shaping and non-Global Fund-financed procurement through the Wambo.org platform; the M&E Framework including KPIs; the Catalytic Investment under the post-replenishment allocation scenario; and other critical agenda items.

With reference to the LAC Constituency outreach efforts, I would like to highlight the monthly LAC Newsletter, the Board Member six-month reports and regular meetings with LAC Regional Manager and country teams responsible for country and regional grants, to improve relationships between GF Secretariat and LAC countries.

The monthly newsletter in Spanish is being published and you can subscribe to it as well as visit the website www.lacfondomundial.org, and/or use the communication channel through Facebook facebook.com/lacfondomundial and Twitter [@FondoLac](https://twitter.com/FondoLac)

Please do not hesitate to contact me for any enquiry or further information; I am opened to your guidance, proposals, suggestions for improvement and consultations through my personal e-mail aacuna@sica.int and at the institutional e-mail grupolafm@gmail.com.

I take this opportunity to wish you, your families and all your co-citizens a Prosperous, Happy and Healthy 2023.

Sincerely,



Dr. Alejandra Acuña Navarro

Global Fund Board Member

Latin America and the Caribbean Representation