

Climate & Health Catalytic Investment Priority for Grant-Cycle 7 Electronic Report to the Board

GF/B51/ER06

Board Decision

Purpose of the paper: This paper presents for Board approval a new catalytic investment priority for grant-cycle 7 as recommended by the Strategy Committee (SC). This additional catalytic investment priority focused on climate and health will facilitate investment in country-articulated interventions to reduce the impact of climate change on health for the communities the Global Fund serves. Funding for this new priority will be mobilized through additional resources raised specifically for this purpose in line with the Policy for Restricted Financial Contributions.

Document Classification: Internal.

Document Circulation: Board Members, Alternate Board Members, Constituency Focal Points and Committee Members.

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Decision

GF/B51/EDP09: Additional Catalytic Investment Priority for the 2023-2025 Allocation Period: Climate and Health

Based on the recommendation of the Strategy Committee, the Board:

1. Recalls its approval of the catalytic investment priorities for the 2023-2025 allocation period as set forth in Annex 1 of GF/B48/03A-Revision 1 (“2023-2025 Catalytic Investment Priorities”); and
2. Approves the inclusion of a new priority for “Climate and Health” as one of the 2023-2025 Catalytic Investment Priorities to support implementation of the Global Fund’s Strategic Objectives.

Budgetary implications:

Additional costs associated with the new catalytic priority area are expected to be primarily financed from the additional contributions mobilized for the priority area with the remaining costs supported by existing operating expense budget.

A summary of relevant past decisions providing context to the proposed Decision Point can be found in Annex 3.

Executive Summary

Context

- In the past two years alone, climate-related crises have increased at an alarming rate, creating catastrophic impact on country health programs at a rate previously unforeseen. Country health systems, still rebounding from the impact of the COVID-19 pandemic, are struggling to cope with the adverse and often unpredictable impacts of climate-related crises. Climate-fueled extreme weather events are causing an upsurge of malaria cases as observed in the catastrophic flooding in Pakistan that led to 5-fold increase in malaria cases in 2022. Climate change is also associated with increasing HIV transmission rates and undermining the health outcomes of people living with HIV¹. Climate change affects TB through diverse pathways including through population displacement, malnutrition, air pollution and other risk factors². Across the three diseases and broader systems for health, we are seeing widespread devastating effects of climate change on access to, and quality of, health care through climate-related disasters, climate-induced displacement, food insecurity and poverty. Where uncertainty may have existed five years ago, today there can be no doubt about the urgent risk which climate change now poses for the Global Fund mission.
- Under Grant-Cycle 7 (GC7), most of the US \$13.1 billion³ raised under the 7th replenishment has already been allocated, with most countries having already gone through grant-making. Tight country allocations have left little room for program essentials, let alone space to support countries in their efforts to adapt to and mitigate the risks presented by climate change. At the same time, countries have been clear in their increasingly urgent call for support in this area. The already existing climate-related needs of around US\$300-500 million on the Unfunded Quality Demand (UQD) register provides clear evidence of this demand. Failure to take rapid action will only further exacerbate the vulnerability of the most vulnerable countries, who are simultaneously dealing with increasing prices, declining fiscal space, increasing hostility to rights, increased drug and insecticide resistance, and major conflicts. At the same time, donors are expressing increasing interest in providing support for countries to combat this urgent risk.
- Creating a new catalytic investment priority under GC7 will enable the capability for the Global Fund to immediately mobilize additional resources from interested private sector donors, in full alignment with existing Global Fund policy. Additional resources mobilized for this area will be invested in interventions with a clear and direct link to the existing core programs of the Global Fund across HTM and RSSH, which have been affirmed as technically sound by the TRP. Piloting increased climate related HTM and RSSH interventions through a catalytic investment leveraging existing modalities will support country efforts towards climate mitigation and adaptation in full alignment with the core

¹ https://frontlineaids.org/wp-content/uploads/2023/12/Climate-HIV-Briefing-Paper_update_v1.pdf

² <https://pubmed.ncbi.nlm.nih.gov/33728507/>

³ <https://www.theglobalfund.org/kb/board-decisions/b48/b48-dp04/>

mission and strategy. Applying this limited approach under GC7 will also provide the Global Fund with experience and learning, within a clearly defined space, to inform how support for climate adaptation and mitigation will be provided under Grant-Cycle 8 (GC8), which has been a key area of interest of public donors as the Global Fund approaches the 8th replenishment. The Board is requested to approve a new climate and health catalytic priority area to enable the mobilization of additional resources for climate-related programming under GC7.

Questions this paper addresses

- A. What do we propose to do and why?
- B. What options did we consider?
- C. What do we need to do next to progress?

Conclusions

- A. The creation of a Catalytic Investment is a fit for purpose option to immediately mobilize additional resources in response to expressed interest from private donors, for country articulated, climate-related programming during GC7.
- B. The proof-of-concept nature of a CI further enables the Global Fund partnership to gain experience in this rapidly emerging arena in a way that can inform GC8 planning and potential.

Input Sought

The Board is requested to approve the following decision point:

Decision Point: ***GF/B51/EDP09: Additional Catalytic Investment Priority for the 2023-2025 Allocation Period: Climate and Health***

Input Received

The SC unanimously recommended the decision point to the Board, noting the importance of resources deployed within this catalytic investment priority be focused on the core mandate of the Global Fund, transaction costs be mitigated and that learnings be gathered to inform GC8 and reporting against climate-relevant spend. A frequently asked questions section in Annex 5 has been added in response to Board questions from the 25 July 2024 informal Board call.

Report

Background

1. Climate change represents a profound threat to the Global Fund's mission. Its growing impact on health in the countries in which the Global Fund actively invests (in grant cycle 7, 71% of the Global Fund's resources support the 50 most climate vulnerable countries⁴) is challenging our ability to sustain the gains made in HIV, TB, Malaria and systems for health. Over 50% of infectious diseases have been aggravated by climatic hazards⁵. Malaria is identified as one of the most climate-sensitive diseases, along with other vector-borne diseases. Climate-fueled extreme weather events are causing an upsurge of malaria cases as observed in the catastrophic flooding in Pakistan that led to 5-fold increase in malaria cases in 2022. Rising temperatures are expanding malaria to highland areas and climate change is increasing the prevalence of malaria in children in Sub-Saharan Africa. Climate change is also associated with increasing HIV transmission rates and undermining the health outcomes of people living with HIV⁶. Climate change affects TB through diverse pathways including through population displacement, malnutrition, air pollution and other risk factors⁷. Across the three diseases and broader systems for health, we are seeing widespread devastating effects of climate change on access to, and quality of, health care through climate-related disasters, climate-induced displacement, food insecurity and poverty.
2. The Emergency Fund (one of eleven Catalytic Investments in GC7) is already responding to these needs. To date, 46% of the funds allocated to the Emergency Fund involved supporting rapid country responses to mitigate the impact on HIV, TB and malaria programs in the face of climate-related disasters. However, investment is needed not only in interventions that address the immediate effects of climate change, but also to adapt and build climate-resilient, sustainable health systems and HIV, TB and malaria programs. A preliminary analysis of the GC7 Unfunded Quality Demand (UQD) register, reviewed and recommended for investment by the TRP, highlights *existing country demand* in the approximate range of \$300-500M. These are for interventions exposed to climate hazards and critical for reducing vulnerability and increasing the resilience of health systems and vulnerable populations affected by HIV, TB and malaria. Examples include access to healthcare services in health facilities that are in disaster-prone areas; expansion of healthcare coverage for populations displaced by floods and other aggravating climate hazards; malaria prevention measures that are important for reducing sensitivity of young children to increased malaria infection risks due to climate change; and, disease surveillance systems that strengthen adaptive capacities of health

⁴ As measured by the Notre Dame GAIN Country Index: <https://gain.nd.edu/our-work/country-index/rankings/>

⁵ <https://www.nature.com/articles/s41558-022-01426-1>

⁶ https://frontlineaids.org/wp-content/uploads/2023/12/Climate-HIV-Briefing-Paper_update_v1.pdf

⁷ <https://pubmed.ncbi.nlm.nih.gov/33728507/>

systems to better detect, monitor and control malaria and other climate-sensitive diseases.

3. To begin to address the growing climate-related needs with countries and partners, the Global Fund partnership needs to increase its ability to mobilize and deploy resources beyond GC7 allocations. Catalytic Investments (CI) provide opportunity for innovation, integrated into, or reinforcing, grant resources while maintaining appropriate guardrails on existing investments. CIs have been used to enhance the agility of the Global Fund partnership to respond to emerging priorities during the implementation period, leveraging optimized or new donor resources. The approval of a CI priority, aligned with supporting existing Strategy Objectives and implementation, enables the Global Fund to secure additional funding from the private sector in compliance with the Policy for Restricted Financial Contributions (PRFC) and begin to support countries and communities address the human health impacts of climate change.

What do we propose to do and why?

What is our proposal?

4. **Create a new GC7 catalytic investment priority.** Funding for this new GC7 CI priority will only come from additional resources to be raised for supporting climate-related interventions and will follow the principles and requirements described in the PRFC. This will ensure that funds can only be used to support Board-approved priorities and that contributions will not result in unreasonable transaction costs for the Global Fund, the countries in which it invests, nor require substantial changes to systems and process.⁸
5. **Focus investment.** As further detailed in Annex 3, the new CI priority on climate and health shall focus on three major areas of investment:
6. *Investing in immediate climate adaptation needs of Malaria, TB and HIV/AIDS programs in countries most affected by climate change.* These resources will focus on the most climate vulnerable countries with high HIV/AIDS, TB, malaria disease burden with commitment and capacity to address climate impacts on health. Interventions include preventative and anticipatory actions for health before climate-related disasters strike in disaster-prone areas and public health disaster response measures in the aftermath of floods, cyclones and other extreme events fueled by climate change. Given the already observed impacts of climate change on highly climate-sensitive diseases, this will also include accelerating malaria prevention and control measures in areas with increased risk due to climate change.
 - i. *Building climate-resilient health systems in most climate vulnerable countries with high HIV/AIDS, TB, malaria burden.* This includes climate-proofing malaria,

⁸ Amended and Restated Policy on Restricted Financial Contributions, [GF/B41/DP05](#)

HIV/AIDS, TB programs, climate-informed disease surveillance and early warning systems, climate resilience of community systems for health, climate-resilient health facilities and supply chains, climate-smart health workforce development and climate risk, vulnerability and impact assessment on malaria, HIV/AIDS, TB and health systems.

ii. *Promoting low-carbon, environmentally sustainable technologies and approaches in climate vulnerable countries with significant Global Fund investments.* This includes clean and solar energy for healthcare, environmentally sustainable healthcare waste management and carbon management of health facilities and health product supply chain.

7. **Focus on up to 10-15 of the most climate vulnerable countries with significant Global Fund investments, where there is existing demand and interest from country leadership, communities and the broader partnership** – following Board approval, dialogue with countries will launch. This dialogue will be grounded in expressed country needs and aligned with donor input on country prioritization. Part of the “proof of concept” will also focus on learning and potentially adapting existing governance structures including CCMs to link with inter-ministerial climate change coordination platforms, national climate change funds as well as Ministries of climate change and environment. These governance bodies are constantly evolving given the nature of their membership and have adapted over the last decade to ensure increased understanding and consideration of RSSH and Pandemic Preparedness, just to name two examples.
8. **Work closely with technical and donor partners to shape, review, and align climate and health investments.** This is particularly critical as the Global Fund works to gain expertise in addressing the human health impacts of climate change (noting many of the most critical interventions like solarization of health facilities, seasonal malaria chemoprophylaxis and climate-informed disease surveillance systems are already funded by the Global Fund.) This CI would also provide a central locus around which partnerships with the Green Climate Fund, World Bank, the Alliance for Transformative Action on Climate and Health (ATACH), and others can be developed and operationalized in support of country plans and needs.
9. **Utilize existing Global Fund processes for efficient deployment.** While design and operationalization will be further refined and scaled to resources mobilized, utilizing CI modalities, and refining and responding to Unfunded Quality Demand (UQD) presents the most efficient deployment. As a mid-cycle CI, moving resources swiftly to countries will be critical and leverage existing pathways, streamlined as much as possible to deploy resources quickly. Preliminary modalities include:
- i. Invest in UQD through revisiting and refining country articulated and TRP approved requests to maximize impact.

- ii. Leverage local and regional technical expertise through a Strategic Initiative that country partners may access in refining and implementing demand (from UQD or updating the Prioritized Above Allocation Request, PAAR);
 - iii. Include limited capacity at the Secretariat for interdisciplinary expertise, implementation support (e.g. with Country Teams) and aggregating the learning from countries on what works and opportunities to adjust deployment. This may include, for example, adaptations to the expertise on CCMs⁹ or the TRP (neither of which will be done preemptively).
10. **Ensure governance & transparency** As a CI priority, quantitative and qualitative analysis on operationalization will be reported to the Strategy Committee and Board semesterly.

Why is this our recommended option?

11. A CI priority creates a channel into which additional resources can be mobilized *now*. There is urgent and expressed interest from private donors (i.e. philanthropic foundations) looking for ways they can invest in countries and communities responding, and adapting, to climate threats that undermine collective gains made in the fight against HIV, TB and malaria. In these active discussions, these donors see the Global Fund as an effective and efficient partner with a proven model that can be adapted to this new challenge. The urgency of this recommendation to the SC is intended to enable and support these negotiations.
12. Launching a CI in GC7 enables the partnership to gain experience in this rapidly emerging arena in a way that informs upcoming decisions in GC8 with evidence through qualitative and quantitative results from CI implementation. Such experience will be helpful to inform future discussions on GC8 catalytic investments and potentially more ambitious options such as creating a climate and health response mechanism, akin to C19RM, which could potentially attract both public and private funds.
13. A CI is a fit-for-purpose approach with appropriate guardrails of core investments, while allowing for institutional innovation and agility.

What options did we consider?

What are the options?

14. In addition to creating a Catalytic Investment priority, the Global Fund considered two other options:
- i. **Fund interventions to respond to the impact of climate change on health through core funding only (i.e., country allocations).** This is already happening in

⁹ www.theglobalfund.org/media/7421/ccm_countrycoordinatingmechanism_policy_en.pdf (Annex 1)

GC7 to some extent, particularly for malaria and for health systems interventions in LICs (e.g., integrating climate change into national malaria programs, climate-informed disease surveillance systems strengthening, solar energy for healthcare). Funding for response to climate-related disasters is also available through the Emergency Fund (e.g., Cyclone Freddy, Pakistan floods). For GC8 we anticipate incorporating more climate change-related guidance, eligible investment categories and metrics. However, Global Fund investments under this approach will necessarily be very limited as GC7 allocations are stretched and significant gaps remain in core programming, therefore the ability to reprogram already constrained budgets is minimal. Moreover, this approach constrains the ability of donors interested specifically in supporting climate/health adaptation to channel funding through the Global Fund for this purpose. This means the Global Fund partnership will not be able to deploy sufficient funds to protect our mission from the impact of climate change, and also brings the risk that alternative funds or mechanisms will be launched, further fragmenting the global health space, and missing the opportunity to provide more integrated and effective solutions.

- ii. **Leverage the learnings from C19RM and launch a new mechanism** - Creating a mechanism, rather than a catalytic investment priority, would require careful deliberation on restrictions of public sector earmarking and implies a significantly greater size of funding than a traditional CI. While the Board may wish to consider this option in the future if this CI demonstrates success, the established governance mechanisms of a CI limit risks of this new approach and allow a “proof of concept” approach that can support course correction and/or expansion in the future if warranted.

What do we need to do next to progress?

15. The Board to approve the establishment of a GC7 Catalytic Investment priority for Climate and Health.

Recommendation

The Board is requested to approve the Decision Point presented on page 2.

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Annexes

The following items can be found in Annex:

- Annex 1. Illustrative list of priority intervention areas for funding by the CI Climate & Health
- Annex 2: Summary of Committee Input
- Annex 3: Relevant Past Board Decisions
- Annex 4: Links to Relevant Past Documents & Reference Materials
- Annex 5. Frequently Asked Questions (as requested during Informal Board Call 25 July 2024)

Annex 1 - Illustrative list of priority intervention areas for funding by the CI Climate & Health

<p>Investment area 1: Immediate climate adaptation needs of Malaria, TB and HIV programs in most climate vulnerable countries with high disease burden</p>	<ul style="list-style-type: none"> ○ Preventative, anticipatory actions before climate-related disasters strike in climate disaster-prone areas, e.g. multi-hazard early warning system for public health emergency management, climate disaster preparedness for healthcare facilities, commodity forecasting and pre-positioning of healthcare products prior to a climate-related disaster, strengthening stockpiles of medicines and other lifesaving equipment to prepare for climate disaster-driven public health emergencies at country and region-levels ○ Essential HIV, TB, malaria prevention, diagnostics and treatment delivery to vulnerable populations and communities affected by climate-related disasters, including internally displaced populations and migrants due to climate-driven food/water insecurity, conflicts and loss of livelihoods ○ Support for public health response measures to climate-driven disasters (e.g. for malaria, cholera surges, extreme heat stress, TB amongst IDPs/refugees): Where unexpected climate related disasters have increased disease exposure or disrupted access to health services ○ Accelerating malaria prevention measures, e.g. seasonal malaria chemoprevention in areas where rainfall patterns are shifting, affecting malaria transmission seasonality due to climate change ○ Accelerating vector control and enhancing diagnostic and treatment options in climate-health high-risk regions and periods
<p>Investment area 2: Building climate-resilient health systems in most climate vulnerable countries with high HIV/AIDS, TB, malaria burden</p>	<ul style="list-style-type: none"> ○ Cross-sectoral leadership and governance connecting health and climate change: supporting climate-health inter-ministerial coordination mechanisms connecting the Global Fund CCM, implementing partners and national climate change working groups and relevant climate policy and finance stakeholders ○ Climate-Health policy and planning: integration of climate change into national health sector policies and malaria, HIV, TB programs, integration of health needs of key vulnerable populations into national climate change strategies, NDCs, NAPs ○ Climate-smart health workforce, e.g. contingency plans for deployment and protection of health personnel from heatwaves and other climate-related extreme weather events, training of health workers with latest knowledge and information on climate impacts on malaria, HIV, TB and climate-sensitive disease management ○ Climate-health risk, vulnerability and impact assessment, e.g. multi-hazard climate risk mapping of health facilities, Health Vulnerability & Adaptation (V&A) assessments at national and sub-national levels, disease modelling to project climate impacts on the burden of diseases of malaria, HIV and TB, climate impact

	assessment of Key Vulnerable Populations affected by HIV, TB, malaria in communities highly exposed to climate hazards and displaced populations
	○ Climate-informed disease surveillance and early warning systems strengthening , e.g. establishing climate-informed malaria surveillance and early warning systems, integrating climate, environment and weather information into disease surveillance early warning systems, climate-informed HIV, TB, malaria routine monitoring and reporting systems
	○ Climate resilience of community systems for health , e.g. development of community-led monitoring tools to monitor and report climate impacts on vulnerable populations affected by HIV, TB, malaria and to improve healthcare service continuity, quality, gender-related barriers due to climate-related disasters, climate-induced displacement and climate-driven food insecurity; strengthening community-based and community-led organizations with essential knowledge and capacity on increase climate resilience of community interventions for HIV, TB, malaria and other diseases; community awareness and social mobilization of vulnerable populations and communities on climate impacts on health and community-led solutions to current and future impacts of climate change on health
	○ Climate-Health Research and Development capacity building , e.g. multi-disciplinary research on climate impacts on health and climate-health technologies and innovations for malaria, HIV, TB and health systems
	○ Digital tools & information systems for climate adaptation of health systems and services , e.g. digitalization of health data to protect from climate hazards, development and application of climate-modules in the District Health Information System (DHIS), climate related health warning and advisory services, climate risk assessment dashboard, digital climate-health observatory
	○ Climate-resilient health facilities and health product management , e.g. determining climate risks and developing climate-resilience standards for both new and existing facilities and warehouse, disaster risk reduction and contingency plan for health facilities and warehouse, tracking mechanism to monitor climate impacts and how effective climate resilience requirements are to reduce climate risks and impacts on facilities and HIV, TB, malaria health products
	○ Innovative financing mechanisms for climate-health , e.g. piloting and developing a proof of concept for integrating health into climate finance mechanisms such as payment for environmental services (mobilizing climate finance) to fund healthcare needs of vulnerable communities in countries where relevant climate finance mechanisms exist
Investment area 3: Promoting low-carbon,	○ Clean, reliable, and sustainable energy for healthcare , e.g. solar for health

environmentally sustainable technologies and approaches in most climate vulnerable countries with high disease burden	○ Low-carbon, sustainable healthcare waste management , e.g. recycling, non-burn technologies
	○ Development and establishment of a carbon management tool for health facilities and health product supply chain management

Annex 2 – Summary of Committee Input

DISCLAIMER: This Annex is an excerpt of the Strategy Committee Chair’s DRAFT Meeting Notes from the 25th meeting of the Strategy Committee.

Session: Climate and Health Catalytic Investment

Presentation

1. The Secretariat presented a grant cycle 7 (GC7) catalytic investment (CI) priority for Climate and Health for SC recommendation to the Board. It noted that funding would come from additional private sector contributions raised specifically for this purpose under the Amended and Restated Policy on Restricted Financial Contributions (PFRC) and be focused on the most climate vulnerable countries with significant Global Fund investments and burden of disease. The CI will be operationalized leveraging existing processes (i.e., use of climate-relevant unfunded quality demand (UQD), leveraging PAAR updates where needed)), including partner engagement opportunities for input.
2. The Secretariat noted that some of the funds would also be deployed through a Strategic Initiative (SI) to leverage global and regional technical expertise to support countries, as well as Secretariat capacity.

SC Discussion

3. **Additionality, estimated size and timing:** SC members requested clarification around whether this would be new money and if it would leverage the United States US\$1 to US\$2 match. Clarification was sought around the potential size of this new CI and timeline for implementation. SC members noted the importance of mitigating associated transaction costs.
4. **Scope and role:** SC members noted the importance of climate and health resources being focused on the core mandate of the Global Fund. Members requested additional discussions around the scope and role of the Global Fund within the climate and health space, in part to help better define what part of Global Fund spend can be considered as climate-relevant.
5. **Capabilities & Partnerships:** SC members raised questions around the adaptations that will be required for Country Coordinating Mechanisms (CCMs). The Technical Review Panel (TRP) Chair noted that the current membership does not have specific climate expertise and requested clarity around the role of the TRP and expectations. One member noted that specific TRP expertise in climate may not be required as the link will be to HIV, TB and malaria (HTM) program implementation. SC members noted the limited Secretariat capabilities in this area and that additional resources would be needed to effectively implement.
6. **Operationalization:** SC members welcomed the pragmatic approach and integration into existing mechanisms. SC members requested that the Secretariat use this as learning opportunity but noted the limited time before GC8. A clarification was sought around the typologies of the 10-15 climate vulnerable countries and whether countries with smaller investments, but high vulnerability, would be considered.

Secretariat Response

7. **Additionality, estimated size and timing:** The Secretariat reiterated that these funds would be additional and that the CI could potentially leverage US\$50-US\$100 million in new funds which is small in comparison to the US\$10 billion in estimated need. The Secretariat confirmed that any additional funding under this CI would leverage the United States US\$1 to US\$2 match. It was clarified that the timeline for implementation would be aligned with GC7 grant implementation.
8. **Scope and role:** The Secretariat confirmed that these funds would be focused on the existing mission, noting climate is not a vertical program and directly impacts HTM and health systems. A more holistic discussion on climate and health is on the governance agenda.
9. **Capabilities & Partnerships:** The Secretariat acknowledged the limited Secretariat capabilities in this area and as such some of the funding under the SI would be used to complement existing resources. The Secretariat will leverage existing partnerships with the Green Climate Fund, World Bank, WHO ATACH, etc. to work in an additive and integrated manner.
10. **Operationalization:** The Secretariat clarified that the selection of up to 10-15 countries had yet to be finalized, noting that the additional funds have not yet been pledged. It was noted that much of the demand is already included in TRP reviewed UQD (endorsed by the CCM at the Funding Request stage) and that it will engage with the TRP as needed to update relevant UQD.

SC Decision

- The SC unanimously recommended to the Board, the Decision Point: GF/SC25/DP03: Recommendation on Additional Catalytic Investment Priority for the 2023-2025 Allocation Period: Climate and Health

Annex 3 – Relevant Past Board Decisions

Relevant past Decision Point	Summary and Impact
GF/SC25/DP03	The SC recommended to the Board for approval the establishment of a new GC7 catalytic investment priority on climate & health which is anticipated to be funded through private sector contributions under the Policy for Restricted Financial Contributions (PFRC)
GF/B47/DP06: Catalytic Investments for the 2023-2025 Allocation Period ¹⁰	Approves the catalytic investment priorities the 2023-2025 allocation period. Defines the thresholds for Secretariat delegated authority for approval of increases and decreases in a given priority. Notes that the SC will approve any increases (and subsequent decreases) above 15%.
GF/B41/DP05: Approval of the Amended and Restated Policy on Restricted Financial Contributions (May 2019) ¹¹	Based on the recommendation of the Audit and Finance Committee, the Board approved changes to the Amended and Restated Policy on Restricted Financial Contributions, as set forth in Annex 1 to GF/B41/06 – Revision 1, which allows the Secretariat to mobilize and receive contributions to grant activities, the Register of Unfunded Quality Demand and to support other Board approved priorities, such as Catalytic Investments.

Annex 4 – Relevant Past Documents & Reference Materials

[GF/B50/09: Thematic Update on Climate & Health](#)

¹⁰ <https://www.theglobalfund.org/kb/board-decisions/b47/b47-dp06/>

¹¹ <https://www.theglobalfund.org/kb/board-decisions/b41/b41-dp05/>

Annex 5 – Frequently Asked Questions

1. How is this new CI aligned with our Strategy and mission?

Addressing the human health impact of climate change is an important aspect of the Global Fund’s Strategy: “We will support countries to mitigate and adapt to the threats posed by climate change to HTM and broader health areas, including by continuing to be responsive to emergency situations caused by climate-related disasters and supporting countries to build more climate-responsive disease programs and systems for health.” Climate change presents a profound threat to the achievement of the Global Fund’s mission to end HIV, TB and malaria and our Strategy is unlikely be achieved without supporting countries and communities to address the health impacts of climate change.

This CI is therefore anchored directly in our Strategy and intended to mitigate the impact of climate change on national disease programs and support the health system adaptations critical to maintain the gains made in ending the diseases. It is not an expansion, but fully consistent with our Strategy and the pursuit of our existing mission.

The CI would bring in new and additional resources that would not otherwise be available to address existing and emerging needs through investing in unfunded quality demand (UQD) relating to existing Global Fund-supported programs (i.e. directly linked to the core mission). These are interventions articulated in funding requests by countries and communities that are not currently resourced; endorsed by CCMs through the submission of the funding request; and approved by the TRP. If approved, this CI will be aligned with internal and external processes that focus on ensuring impact against the three diseases through efficient and effective investment in countries.

2. Does this decision imply approval of GC8 CIs on climate and health?

No, this is a request for approval of a grant cycle 7 (GC7) Catalytic Investment only, intended to leverage additional resources for our mission. Priorities for GC8 are still under development with partners and will be informed by learning and experience gained in GC7. Preliminary priorities for GC8 include climate and health, but this decision to introduce a GC7 CI does not preempt any future Board decisions about GC8.

3. Why is this approval being presented urgently?

Additional private sector donor resources are likely available and are currently under negotiation, and the approval of this CI creates a “channel” through which these can be invested. These conversations with potential private sector donors are intended to be concluded by UNGA, which opens in September 2024, and therefore it was urgent to pursue a rapid decision to encourage and facilitate the contribution of these funds. Finally, given the timelines for GC7 it is important to be able to move quickly to integrate additional funding into the cycle to ensure quality implementation and impact.

4. Would additional funds be available if this CI is not approved?

These funds will not be available if the Board rejects the creation of a new catalytic investment to address urgent climate and health needs. These funds are also only potentially available to meet specific climate and health needs and would not be available to support the Global Fund’s broader mission, for example to meet non-climate related gaps in TB programs. While the Global Fund is seen by these donors as the preferred mechanism to channel these funds to achieve maximum impact, including ensuring greater impact on HTM, if the funds cannot be used to specifically address the impact of climate on Global Fund health programs, they will not be available to the Global Fund.

5. What countries and specific activities are envisioned to be supported and undertaken under this CI?

Geographic prioritization will be based on a number of factors including but not limited to: country and community interest and engagement; vulnerability to climate change impacts; and, existing, climate relevant UQD that could be approved and operationalized effectively and efficiently. Final country selection will scale based on investment (i.e. the number of countries in which we will be able to invest will be determined by the funding available) and should include partners and work in a diversity of settings, including challenging operating environments (COE).

There are three (3) investment areas proposed for this CI that are more fully described in the investment framework:

- Adapting to the immediate needs of Malaria, TB and HIV programs in most climate vulnerable countries with high disease burden
- Building climate-resilient health systems in most climate vulnerable countries with high HIV/AIDS, TB, malaria burden

- Promoting low-carbon, environmentally sustainable technologies and approaches in most climate vulnerable countries with high disease burden.

Interventions will pull from existing UQD, updating where necessary following streamlined GAC and other grant management processes, and scaled based on resources available. This approach is consistent with the updating and awarding of UQD funds through existing processes.

6. If funds are available, how will these funds be awarded and integrated into grants?

While operationalization considerations need to be evaluated based on the scale of resources available and timing of contributions, there will be *no* new application processes for these funds. Existing deployment pathways will be used. The operationalization deployment strategy will be shared with partners (e.g. Grants Approval Committee and/or Strategy Committee), consistent with existing processes.

7. What are the OPEX and staff implications of this decision?

Consistent with all Catalytic Investments, a small percentage (generally less than 5%) of resources will be utilized to operationalize the CI. These funds are additional to OPEX and will help address capacity needs across the Secretariat to ensure efficient and effective operationalization of the CI. These funds would complement and expand Secretariat expertise on climate and health issues as well as provide additive capacity to ensure processes are well supported. Where partnership expertise can be leveraged, including through secondments from engaged partner organizations, this will also be explored during operationalization.

8. Why is a new CI being proposed instead of simply letting private donors earmark to UQD?

A new CI creates a channel that is not only helpful for attracting new investments, but for focusing investments, providing needed complimentary TA, coordinating funding opportunities with other climate and health donors (particularly the GCF and World Bank), adding limited Secretariat expertise to support these investments, and in gaining valuable experience with countries and partners using existing well-established governance and reporting processes. Should we simply earmark to UQD, there will be a lack of visibility internally and externally on these climate and health investments, as well as limited ability to coordinate funding channels with partners, provide

complimentary TA, build Secretariat capacity, or focus on resources on specific interventions and countries.

9. Will approval of this CI dilute funding, staff or attention from core HIV, TB and malaria activities?

Simply put, no. There are no portfolio optimized funds proposed for this CI, and potential funds that may be available for this CI are new, additional and would only be available for the specific purposes of addressing climate and health needs through the Global Fund. Similarly, for OPEX, this CI would add a limited amount (less than 5% of the total CI funds available) to increase Secretariat capacity on climate and health to manage these investments. Finally, this does the opposite of diluting funds to HTM programming as it would invest in existing and updated UQD that was requested by countries and communities in HTM funding requests, endorsed by CCMs and approved by the TRP.

10. How would the GF work with partners (country and technical) to implement this CI?

Consistent with the Global Fund model and with CIs, partners are engaged throughout the design and operationalization process. This includes semesterly updates to the SC and Board, as well as periodic approvals through the Grants Approval Committee and engagement across partners forums such as disease situation rooms. Implementation is anticipated to happen largely through existing PRs with additional technical support planned at the country and regional levels to ensure quality programming and appropriate linkages with Ministries of Climate and Environment and with other climate and health partners and donors.