

LATIN AMERICA AND CARIBBEAN DELEGATION TO THE GLOBAL FUND BOARD

BRIEF TO COUNTRY AND REGIONAL COORDINATING MECHANISMS AND OTHER PARTNERS, 2024

Significant Policy Changes to Drive Sustainable Impact

During the November Board Meeting in Lilongwe, Malawi, the Board recognized that the Global Fund's (GF) mission faces numerous challenges, including extraordinary fiscal pressures on countries, restrictive civic spaces, global conflicts, and climate change. All the abovementioned are likely to impact the 8th replenishment of the GF, scheduled for the second semester of 2025. To protect the gains achieved against HIV, TB and malaria while driving sustainable progress towards ending these diseases, the Board adopted an unprecedented, wide-ranging set of policy changes.

These changes, which are meant to prepare the Partnership for the next three-year grant cycle starting in 2026 (Grant Cycle 8), were effected through revisions to the four policies most influential in guiding how the Global Fund's resources are allocated and used: the Eligibility Policy; the Allocation Methodology; the Sustainability, Transition and Co-Financing Policy; and Catalytic Investments. The revisions were approved unanimously by the Board.

Changes to the Eligibility Policy and Allocation Methodology will shift funding towards lower-income countries and with highest burden of diseases, and increase the proportion of funding for TB and malaria. Latin America and the Caribbean Delegation (LAC) Delegation supported the revision of the eligibility and allocation policies presented with the aim of preserving our commitment to the duty of care to the Partnership and to protect key and vulnerable populations affected by the three diseases.

Regarding the proposed changes on the Allocation Methodology, LAC emphasized that its major concern was related to the combined impact of the Global Disease Split (GDS) and shift of the Country Economic Curve (CEC) particularly on Upper- Middle Income Countries (UMIC) and inevitably on Key Vulnerable Populations (KVP). Considering that these changes appear inevitable, LAC urged the Board to proactively search for solutions to minimize the impact through qualitative adjustment, and to protect financing for essential programs with a minimum of assignment or eventually through joint mechanisms for resource allocation and grant implementation.

Changes to the Sustainability, Transition and Co-Financing (STC) policy will strengthen the rigor and specificity of co-financing requirements and enable better preparations for transition, in order to support sustainable progress in the fight against the three diseases. LAC concurred with the proposed STC policy flexibility, expressing the need to remain flexible to make adjustments to financial requirements adapted to the country context, and assess on a case by case basis, at the time of the policy's operationalization.

To facilitate the implementation of these revised policies and contribute to a more streamlined, impactful, and sustainable global health response, the Board encouraged the Global Fund to continue supporting countries' efforts to strengthen public financial management (PFM). The objective is to enable the delivery of credible, priority-oriented health budgets, integrated disease programs, efficient flow of funds, effective budget execution and strengthened accountability.

Catalytic Investment (CIs) priorities for Grant Cycle 8 were reduced in number and will focus on components of the Global Fund's Strategy that are critically needed to accelerate progress but are not fully addressed through Country Allocations. This includes human rights, gender equity, Resilient and Sustainable Systems for Health (RSSH), NextGen Market Shaping to enable accelerated access to new innovations, and countering the impact of climate change on the health of the poorest and most vulnerable communities. The Catalytic Investment priorities for Grant Cycle 8 are also designed to leverage private sector contributions. LAC noted that the CIs priorities are all cross cutting, no longer disease specific, being apparently attractive to private and public domestic funding. LAC emphasized the need to unpack the CIs modalities distribution as well as the implementation mechanisms through a Working Group in the near future.

Sustaining Efforts Against Impacts of Climate Crisis and Human Rights Erosion

In wider discussions, Board members further emphasized the critical importance of sustaining investments in health and community systems to underpin the fight against HIV, TB and malaria, bolster pandemic preparedness and accelerate the pathway towards Universal Health Coverage (UHC).

LAC delegation recalled that our region had requested the GF's financial support to address interventions that primarily focus on climate-related disaster risk reduction and emergency preparedness plans for HIV, TB and Malaria (HTM) programs, for example, following the Haiti hurricane in 2021. Mindful of these past requests, LAC sought the GFS's guidance in identifying opportunities for innovation within the interventions that are eligible for GF funding on Climate-resilient health systems to address HTM through low-carbon, and environmentally sustainable solutions that may be based on experiences from other regions.

Mobilizing for a Successful Eighth Replenishment

With just five years remaining to achieve the Sustainable Development Goals, the Board called upon the entire partnership to rally behind the critical goal of securing the best possible outcome for the Eighth Replenishment next year. Conscious of the most challenging external contexts since the creation of the Global Fund, LAC called on the entire Global Fund partnership to become an orchestra of voices for bold advocacy to make the strongest possible case for the continuity of the Global Fund, in order to protect people who remain in situations of vulnerability and to whom we collectively owe a duty of care.

LAC Delegation's priorities for 2025

- Continue engagement with the Diplomatic Missions of LAC countries' in Geneva: Convene in-person meeting prior to the 53rd Board Meeting.
- Continue working with the LAC Steering Committee. These meetings will provide useful feedback to inform LAC Delegation in preparation for Global Fund Standing Committees and Board Meetings.
- Strengthen LAC Constituency position vis-a-vis new priority areas of focus endorsed by the GF Board, namely RSSH and Climate and Health.
- Develop a narrative to boost communication with and engagement of Governments and partners within LAC Region.
- Continue intensifying communication with Haiti's Fund Portfolio Manager through scheduling of quarterly conference calls.
- Leverage the LAC Delegation's composition to obtain support and influence in decisions at different levels in LAC and for increased engagement with the GFS.

- Continue increasing collaboration with other Implementer Constituencies and Member States, including pre-board virtual and in -person meetings as well as Post Global Fund Board Meetings Debrief webinars.
- Improve LAC participation at Committee level: In December 2024, candidates for the renewal of Committee membership in 2025 were nominated and a candidate to serve on the Executive Director's Selection Committee was selected.
- Identify the best LAC success stories and share them with the GFS for inclusion in the investment case being developed for the Eighth replenishment.
- Manage nomination process for LAC Board leadership for the period 1 November 2025 to 31 October 2027. Call for nominations for a new LAC Board leadership Representation will be prepared and issued through the Board Member at least 3 months before the end of their existing term which concludes on October 31st, 2025. Following LAC Constituency Terms of Reference's rotation principles, the Latin America Subregion will become the Board Member and the Caribbean Sub-Region will become the Alternate Board Member.

COUNTRY AND REGIONAL COORDINATING MECHANISMS AND OTHER PARTNERS ARE INVITED TO:

- Recognise the contributions of the Global Fund and utilise national, regional and international fora to acknowledge the significant contribution that the Global Fund's resources have made in preventing new infection and increasing treatment coverage for HIV, TB and Malaria, and in supporting our efforts in building resilient and sustainable systems for health (RSSH).
- Engage with national governments and partners to develop robust strategies and plans for protecting the gains and sustaining the response to the three diseases, while working proactively on transition planning.