



## Navigating the 2024-2025 Replenishment Era: Strategies for the Global Fund's 8th Replenishment

The challenge is real

As 2024 unfolds, the spotlight on the challenges around the multiple, cyclical replenishments of multilateral institutions tackling global causes intensifies. The Center for Global Development (CGD), aptly dubs this confluence the '2024-2025 Replenishment Traffic Jam' in a recent blog post.<sup>[1]</sup> In the realm of health alone, significant players such as Gavi, the Global Fund, the Pandemic Fund, and potentially Global Polio Eradication Initiative (GPEI) and the Global Financing Facility (GFF) are gearing up for crucial replenishments and funding rounds this and next year. Notably, WHO is set to undergo its inaugural investment round, responding to member states' call for increased sustainability and core funding. Additionally, we face the task of replenishments for the World Bank's International Development Association (IDA), regional development banks, addressing the climate finance gap, and establishing new mechanisms like the loss and damage fund to compensate for the consequences of climate change.

The electoral calendar, pulsating with general elections in 60 countries, including stalwarts in international funding for global causes, adds a layer of complexity to this dynamic landscape. The backdrop of shrinking aid budgets and mounting public debt is thereby exacerbated by a political climate that tends to question and drift away from international cooperation.

While the emphasis on enhancing domestic health financing, with crucial support from the Global Fund and partners, is pivotal for ensuring the sustainability of country programs, international investment in global health remains equally critical. This significance is underscored by the constraints, exacerbated by multiple global crises, that many countries in the global south face in scaling up their public investment to the necessary levels. This article specifically delves into the crucial task of scrutinizing the aspect of international contributions.

### Avoiding a harmful competition

It is essential to avoid a race-like competition among organizations, where decisions are made on a first-come, first-served basis. Such a scenario could detrimentally impact the perception of the global health architecture and diminish the overall value of investing in global health. Fortunately, lessons from the challenges posed by Covid-19 and Access to Covid-19 Tools Accelerator (ACT-A), coupled with the urgent need to address the far-reaching impacts of climate change on healthcare delivery and access, have sparked a collaborative agenda among leading global health actors like never before.

### Strategic Recommendations for the Global Fund's 8th Replenishment:

#### The Global Fund

The Global Fund is the largest global multilateral grant funder providing predictable/ long-term (multi-cycle) funding to strengthen key health systems-pandemic preparedness response functions in an integrated people-centred way; while assuring quality services aimed at ending three infectious diseases, namely, HIV, tuberculosis and malaria. Its grants over a three-year cycle, correspond with the donor replenishment periods, which is set to enter its eighth cycle this year. While the 7<sup>th</sup> replenishment did attain a record-breaking 15.7 billion dollars, it was still below the target of 18 billion dollars. But hearteningly, the pledge conversion is on track with more than 10 billion dollars secured.

Zooming in on the Global Fund, the stage for the 8th replenishment couldn't be more challenging. Despite these hurdles, the Global Fund possesses key assets and opportunities that must be maximized to ensure the replenishment's success. We recommend careful consideration of the following points:

1. **Fostering Bipartisan, Multiparty Support:** The Global Fund has always enjoyed amazing support among policy makers from different political parties. This has applied particularly to the US where funding for the next cycle might depend less on who will sit in the White House but more on how strong the bipartisan support will be in the House and Senate. Every effort needs to be made to educate new and younger members and to make sure that the Global Fund stays out of party politics. Looking at other key investor countries, the same opportunities clearly apply also to the UK requiring strong support from Tories and Labour and to Germany where continued support from all parties forming current and future coalitions will be critical before the elections in 2025. We would argue that an effort should be made to approach prudently also the nationalist-populists parties rising in many European countries, including in Scandinavia and the Netherlands. Messages on lives

saved and health security might resonate at least with parts of these movements.

2. Accommodating New Donors: While the leading international aid and development investors from the G7 and the G20 will still need to provide the lion share of the funding, it is critical to look beyond the top ten donors that according to the CGD article cited above provide 90% of the Global Fund resources. We argue that it requires a new framework of global health and development financing to attract non-traditional donors. This applies to existing but somewhat reluctant donors like China and some of the oil rich countries but also to truly new donors like members of the OECD DAC who so far do not contribute to multilateral health funds according to their economic ability. All these countries consider the current aid architecture as outdated and a creation of traditional Western donors. The principles of Global Public Investment (described in more detail [here](#)) provide a credible alternative approach.
3. Building on philanthropy: There is one group of investors that is not or not as severely affected by the economic and budgetary crises nor by political pressure from populists: philanthropies. In the 2024 Gates Foundation Annual Letter CEO Mark Suzman talks about “Philanthropy’s once-in-a-generation opportunity”.<sup>[2]</sup> Beyond the Bill & Melinda Gates Foundation (BMGF) more and other foundations, previously not or not as strongly engaged in global health, should step up their support to the Global Fund that represents excellent value for money for their investments. Like with public donors, the approach to these foundations and high-net-worth Individuals should not be limited to high-income Western countries. A shared strategy among philanthropists that is also looking at the full range of multilateral funds and institutions will be beneficial to achieve Universal Health Coverage. Could one of the leading philanthropic actors convene a strategic dialogue to mobilize peers to step up their engagement in global health?
4. Advancing Innovative Finance Schemes: Overall, we have to be realistic about the potential of innovative finance to make scalable contributions to the upcoming replenishment. However, the Global Fund has adopted a framework to make greater use of blended finance models. And the Global Fund continues to be a pioneer for Debt Swaps for Health (D2H) that is receiving increased global attention right now. The Brazilian G20 presidency has put D2H on the agenda of the G20 Joint Finance and Health Task Force (JFHTF). If applied by more G20 and other creditor countries, D2H could make a significant contribution. It is still the only option for public donors who want to earmark their contribution to certain partner countries and specific programs for which the Global Fund provides the highest level of accountability.
5. Being clear on the Value Addition: The Global Fund needs to have very clear messaging for the 8<sup>th</sup> replenishment. It continues to be the primary multilateral instrument to minimize the impact of the three major infectious diseases. However, it has become increasingly clear that sustainable impact on these diseases cannot be achieved without strong health systems particularly at the Primary Health Care (PHC) level. Digital technologies offer new opportunities to make these systems more resilient to future pandemics and the biggest threat to global health: climate change. The Global Fund has made important steps in defining its role in strengthening digitally enabled PHC and becoming a major partner in climate adaptation for health.

Defining a Clear-Cut, Country-Led Climate and Health Agenda: Public statements on climate and health need to be substantiated by clear strategies and policies implementable at the country level. The Country Coordinating Mechanism (CCM) submits the country grant request and then oversees it appointing principal recipients for execution of agreed-upon strategies and programme components across the three diseases. How will the CCMs be empowered to play a constructive role in designing viable national strategies to invest in climate resilient health systems and which funding mechanism will be made available within the Global Fund to create a credible pathway for more and better investments at the intersection of climate and health? And what will the division of labor with other funding instruments for health and climate look like, especially in relation to country processes? How can the experience of the

Global Fund with the ongoing funding round and the investment case for the 8<sup>th</sup> replenishment inform the design of a global architecture to channel international financing towards priority actions? Beyond the existing high-level Principles for Financing Climate and Health Solutions to Protect Health endorsed by 41 organizations and announced at the World Climate Action Summit during the 28th session of Conference of Parties to the UNFCCC (COP28) in Dubai[3], it will be critical for the 8<sup>th</sup> replenishment that the Board and the Secretariat of the Global Fund be crystal clear on how the Global Fund can leverage its considerable financial power and expertise as an effective and efficient funder to facilitate a transition towards more climate resilient health systems as the backbone to its disease specific investments.

[1] [https://www.cgdev.org/blog/2024-2025-replenishment-traffic-jam-are-we-headed-pileup?utm\\_source=20240213&utm\\_medium=cgd\\_email&utm\\_campaign=cgd\\_weekly](https://www.cgdev.org/blog/2024-2025-replenishment-traffic-jam-are-we-headed-pileup?utm_source=20240213&utm_medium=cgd_email&utm_campaign=cgd_weekly), accessed 1 March 2024

[2] <https://www.gatesfoundation.org/ideas/articles/2024-gates-foundation-annual-letter>, accessed 2 March 2024

[3] <https://www.cop28.com/en/guiding-principles>; <https://www.theglobalfund.org/en/news/2023/2023-12-02-41-funders-partners-endorse-new-guiding-principles-financing-climate-health-solutions/>, both accessed 1 March 2024

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