



Results Report 2017



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Letter from the Interim Executive Director

Investing in global health is a highly cost effective way to achieve greater security and stability, to protect communities worldwide from infectious disease and to halt emerging health threats.

This report highlights the great achievements that have been made by the Global Fund partnership, supporting programs that have saved more than 22 million lives, while building healthier communities and stronger economies. We have bent the trend lines of tuberculosis and malaria – two of humanity's ancient foes – and we have prevented AIDS from reaching its catastrophic potential.

Yet this report also demonstrates how much more we have to do. It is becoming starkly evident that young people, in particular adolescent girls and young women, face extraordinary levels of risk. In parts of Africa, young women aged 15-24 years are eight times more likely than their male peers to be living with HIV. The Global Fund supports work that breaks down gender inequalities that drive the spread of disease, and we invest in programs specifically focused on improving the health of adolescent girls and young women.

The field of global health is always in flux – change is our constant. We discover and deploy breakthrough treatments, do battle with emerging threats, and adapt to the policies and politics of a world that knows no borders. New trends are always emerging. A demographic surge of young people, together with evidence that many young people are not accessing health services, is alarming and requires strong action.

We must face these challenges with courage. By accelerating investment in integrated HIV prevention and treatment programs for adolescent girls and young women, we can do more than halt the epidemic. We can turn the danger into a demographic dividend on Africa's post-Millennial boom – readying the youth of today and leaders of tomorrow to build healthier, more prosperous societies.

This is the trajectory we envision as part of the Sustainable Development Goals: tackling epidemics and building robust systems for health fuels economic development, and in turn allows for greater investment in health, and moves us toward achieving universal health coverage. We cannot fail in this endeavor because, as we see clearly, tomorrow's leaders will face myriad threats to global health security.

Robust systems for health are the sentinels that guard against regional or global outbreaks. We saw this in practice during the 2014 Ebola outbreak in West Africa: countries with strong systems like Nigeria, Senegal and Mali quickly contained the outbreak, while those without – such as Sierra Leone, Liberia and Guinea – were more vulnerable.

Resilient and sustainable systems for health are also our defense against the growing menace of antimicrobial

resistance, including drug-resistant malaria and multidrug-resistant tuberculosis. This is not a vague, future threat. It is urgent that we respond globally, and avoid slipping back to conditions we endured in the era before antibiotics. We all have a role to play – from health ministers to activists, academics and private sector R&D teams, physicians and individual patients. Together, we can protect humanity's great medical achievements.

This spirit of partnership, with each person and each sector of society making a contribution to global health, is in the Global Fund's DNA. We see it everywhere. We see it in commitments by implementing countries to increase their own investments in health, we see it in innovative approaches developed by communities and civil society partners to reach those most vulnerable and we see it in new financing arrangements from the private sector. We see it in our colleagues at the Global Fund who constantly challenge themselves to be more effective and achieve greater impact from our investments.

I know we can succeed by being true to our values and our mission. The Global Fund partnership will use evidence and experience in the face of change to innovate and evolve. We will not look for quick wins over sustainable impact. We will support efforts to eliminate barriers to diagnosis and treatment. To reach the unreached and marginalized. To prevent new infections. To deliver value for money. To end epidemics.

Marijke Wijnroks, Interim Executive Director

It is becoming starkly evident that young people, in particular adolescent girls and young women, face extraordinary levels of risk. The Global Fund supports work that breaks down gender inequalities that drive the spread of disease.



22
MILLION

LIVES SAVED
THROUGH THE GLOBAL FUND
PARTNERSHIP



11
MILLION

PEOPLE ON
ANTIRETROVIRAL THERAPY
FOR HIV



17.4
MILLION

PEOPLE TREATED
FOR TB



795
MILLION

MOSQUITO NETS DISTRIBUTED
BY PROGRAMS
TO FIGHT MALARIA

Executive Summary

In 2000, AIDS, tuberculosis and malaria appeared to be unstoppable. In many countries, AIDS devastated an entire generation, leaving countless orphans and shattered communities. Malaria killed young children and pregnant women unable to protect themselves from mosquitoes or access lifesaving medicine. Tuberculosis unfairly afflicted the poor, as it had for millennia.

The world fought back. As a partnership of governments, the private sector, civil society and people affected by the diseases, the Global Fund pooled the world's resources to invest strategically in programs to end AIDS, TB and malaria as epidemics. **It is working.**

This report delivers a summary of the impact and results achieved through the end of 2016 by programs supported by the Global Fund, showing cumulative progress since 2002. It is a collective effort, combining the strong contributions made by governments, civil society, the private sector and people affected by HIV, TB and malaria. Here are the cumulative highlights:

- 22 million lives saved
- A decline of one-third in the number of people dying from HIV, TB and malaria since 2002, in countries where the Global Fund invests
- 11 million people on antiretroviral therapy for HIV – more than half the global total
- 17.4 million people have received TB treatment
- 795 million mosquito nets distributed through programs for malaria

More than **one-third** of Global Fund investments go toward building resilient and sustainable systems for health, which are critical to the fight against HIV, TB and malaria, improving the quality of health care overall, and enabling countries to respond to emerging health threats.

The Global Fund supports countries in expanding programs that remove human rights- and gender-related obstacles to health care so everyone can access the health services they need. To specifically address the inequalities affecting women and girls, the Global Fund's investments have increased significantly in the past seven years, with about **60 percent** of the organization's total investments now directed to women and girls.

A flexible approach and strong risk management is fundamental to support our work in high-risk countries and challenging operating environments – countries or regions that experience disease outbreaks, natural disasters, armed conflicts or weak governance. Challenging operating environments account for **one-quarter** of the global disease burden for HIV, TB and malaria and one-quarter of Global Fund investments. The Global Fund invests in 24 very high-risk countries and 20 high-risk countries; to secure investments, we have adopted strict measures to reduce risk and monitor and measure impact.

As part of our sustainability, transition and co-financing policy, the Global Fund provides transition funding and program support to countries as they shift from Global Fund grants toward full domestic funding for health programs. A total of **18 disease programs from 14 countries** will use the transition funding grant application in the 2017-2019 allocation period. The Global Fund's co-financing requirement is an effective way to stimulate domestic investments in health. To date, countries have committed an additional **US\$6 billion** to their health programs for 2015-2017 compared with spending in 2012-2014, representing a **41 percent increase** in domestic financing for health.

Global Fund investment in health programs has grown steadily. As of end December 2016, the Global Fund had disbursed **US\$32.6 billion** to support programs for HIV, TB and malaria. At the launch of the Global Fund's Fifth Replenishment in Montreal, Canada, donors pledged over **US\$12.9 billion** for the next three years, demonstrating extraordinary commitment to global health. The Global Fund is implementing an ambitious fundraising drive to raise an additional **US\$500 million** before the next fundraising conference in 2019.

Since the Global Fund began investing heavily in procurement four years ago, an expanded pooled procurement mechanism now covers 60 percent of procurement supported by the Global Fund and has saved more than **US\$650 million**. That is money that countries now use to save more lives and improve systems. On-time and in-full deliveries increased to **80 percent** in 2016 for the pooled procurement mechanism and are at levels achieved in the private sector.

Operating expenditure is kept low through disciplined cost control, efforts to save money and adherence to a prudent budgeting framework. In 2016, operating expenses totaled US\$281 million. That represents about **2 percent** of grants under management, reflecting an exceptionally high degree of efficiency.

Impact and Results

Lives Saved and Infections Averted

The impact of investments in health can be measured in many ways, and one of the most important measures is how many lives are saved. Health programs supported by the Global Fund partnership had saved more than 22 million lives as of the end of 2016.

It is a remarkable achievement, and a credit to the hard work of many partners who made significant advances in prevention and increased access to treatment and care. Overall, the number of deaths caused by AIDS, TB and malaria each year has been reduced by one-third since 2002 in countries where the Global Fund invests.

The Global Fund Strategy 2012-2016 target of saving 10 million lives in the five-year period ending 31 December 2016 has been met. The target of averting 140-180 million infections by the end of 2016 was met in 2015.

A Note on Methodology

When this report went to print in September 2017, global TB and malaria data for 2016 were still being finalized. As a result, the final lives saved figure may be revised once all data are compiled and verified. In 2015, the Global Fund partnership introduced an improved methodology to estimate lives saved, better aligned with methods used by partners. As in the past, the methodology employs models that analyze raw data. These models represent the most scientifically advanced methods currently available, and use widely accepted data sources. The models yield sophisticated estimates, not scientifically exact figures. The Global Fund Strategic Review 2015, produced by a group of independent technical experts, confirmed the credibility of the modeling and the estimates used by the Global Fund.

The number of lives saved in a given country in a particular year is estimated by subtracting the actual number of deaths from the number of deaths that would have occurred in a scenario where key disease interventions did not take place. For example, in a country where studies show that 70 percent of smear-positive TB patients will die in the absence of treatment, if 1,000 smear-positive TB patients were treated in a particular year, yet only 100 people were recorded as dying from TB, the model can conclude that 600 lives were saved. Without treatment, 700 would have died.

The Global Fund has been adopting specific methods recommended by our technical partners to estimate lives saved in countries where the Global Fund invests^{1,2}. The lives saved estimates are generated by the World Health Organization (WHO) and the Joint United Nations Programme on HIV/AIDS (UNAIDS)

in consultation with countries, using transmission or statistical disease models such as the UNAIDS Spectrum AIM model, and using the best available data from multiple sources, such as routine surveillance, population-based surveys and vital registration systems. The Global Fund contribution to the lives saved by each program is then estimated by applying a percentage contribution by the Global Fund in selected key services. That percentage is applied to the total number of lives saved by each program to arrive at the number of lives saved through Global Fund support.

In 2015, following short-term recommendations made by an independent expert group in 2014, the Global Fund further improved the methodology to estimate the impact of our investments. One important improvement was the inclusion of impact of all interventions for TB and malaria, instead of limiting them to the impact of mosquito nets and TB treatment. This has led to higher estimates of lives saved compared to what was recorded in previously published reports. The Global Fund continues to work with partners to further improve the methodology based on the long-term recommendations of the 2014 expert panel³. This will include the impact of HIV prevention on the number of lives saved that is currently missing, a factor that may indicate the Global Fund underestimates the number of lives saved through our investments. It will also address some limitations in the methodology for estimating lives saved from TB and malaria, which might overestimate lives saved in certain settings. In 2016, as part of the HIV burden estimation process led by UNAIDS with support from the Global Fund, 56 countries in Africa and Asia trained to estimate the past and future impact of their national programs for the first time. This is an important step towards institutionalization of impact and efficiency assessment at country level to inform development of national strategic plans and investment cases, funding allocation and policy decisions, and to maximize impact of available resources. Work is underway with WHO and other technical partners to establish similar processes for TB and malaria.

¹ Ryuichi Komatsu et al. Lives saved by Global Fund-supported HIV/AIDS, tuberculosis and malaria programs: estimation approach and results between 2003 and end 2007. BMC Infectious Diseases 2010, 10:109 doi:10.1186/1471-2334-10-109

² Global Fund 2012-2016 Strategy – Technical partner consultation on Goals, Service targets and Impact modelling, Montreux, 7-8th July 2011.

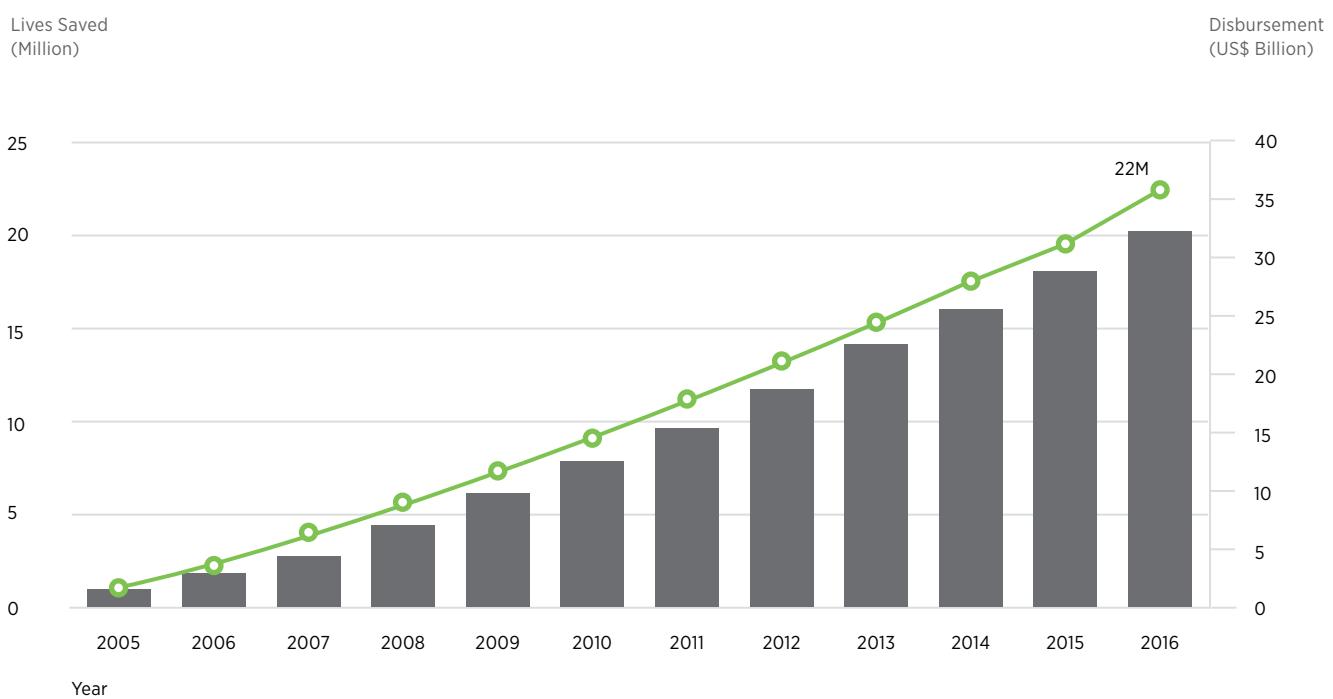
³ Expert Panel on Health Impact of Global Fund Investments Geneva, 10-11 July 2014.



1/3 FEWER DEATHS

FROM AIDS, TB AND MALARIA
IN COUNTRIES WHERE
THE GLOBAL FUND INVESTS

Number of Lives Saved through Global Fund-supported Programs



■ Total Global Fund disbursements (cumulative)
■ Number of lives saved (cumulative)

Source: Lives saved estimates (2000-2015) from UNAIDS, WHO Global TB Program, WHO Global Malaria Program, 2016 release. The 2016 annual results are provisional based on continuation of recent trends and will be updated with new disease data by end 2017.



The Halles Clinic in Mali provides health services tailored to the needs of key populations, many of whom face barriers to health care and treatment due to stigma and marginalization.

Decline in HIV Burden

In the past 15 years, the Global Fund and our partners have achieved what was once considered impossible. The number of HIV-related deaths has been cut by nearly half, from 1.9 million people at the peak of the crisis to 1 million in 2016. Around the world, 19.5 million people have access to lifesaving antiretroviral (ARV) therapy, helping them live to care for their families and contribute to their communities, and reducing the likelihood that they will pass the virus on to others. More than three-quarters of HIV-positive mothers receive treatment to prevent transmission of the virus to their babies, bringing us closer to the goal of a generation born free of HIV.

This incredible progress is due to the global partnership and commitment of governments, civil society groups, health workers and local and international organizations. Major donors and organizations, including the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), UNAIDS and WHO played a key role, alongside trailblazing countries like South Africa and the tireless advocates who continue to fight for care and treatment for all in need.

But after more than 15 years of incredible progress, we have now entered a new phase in the fight against AIDS. While deaths continue to decline, new infections in key and vulnerable populations are on the rise. The "youth bulge" in sub-Saharan Africa means there are nearly 100 million more 15-24-year-olds than in 1990. This, combined with current high infection rates among youth, and adolescent girls and young women

in particular, puts us on course to have more HIV infections in 2030 than in the 2000s.

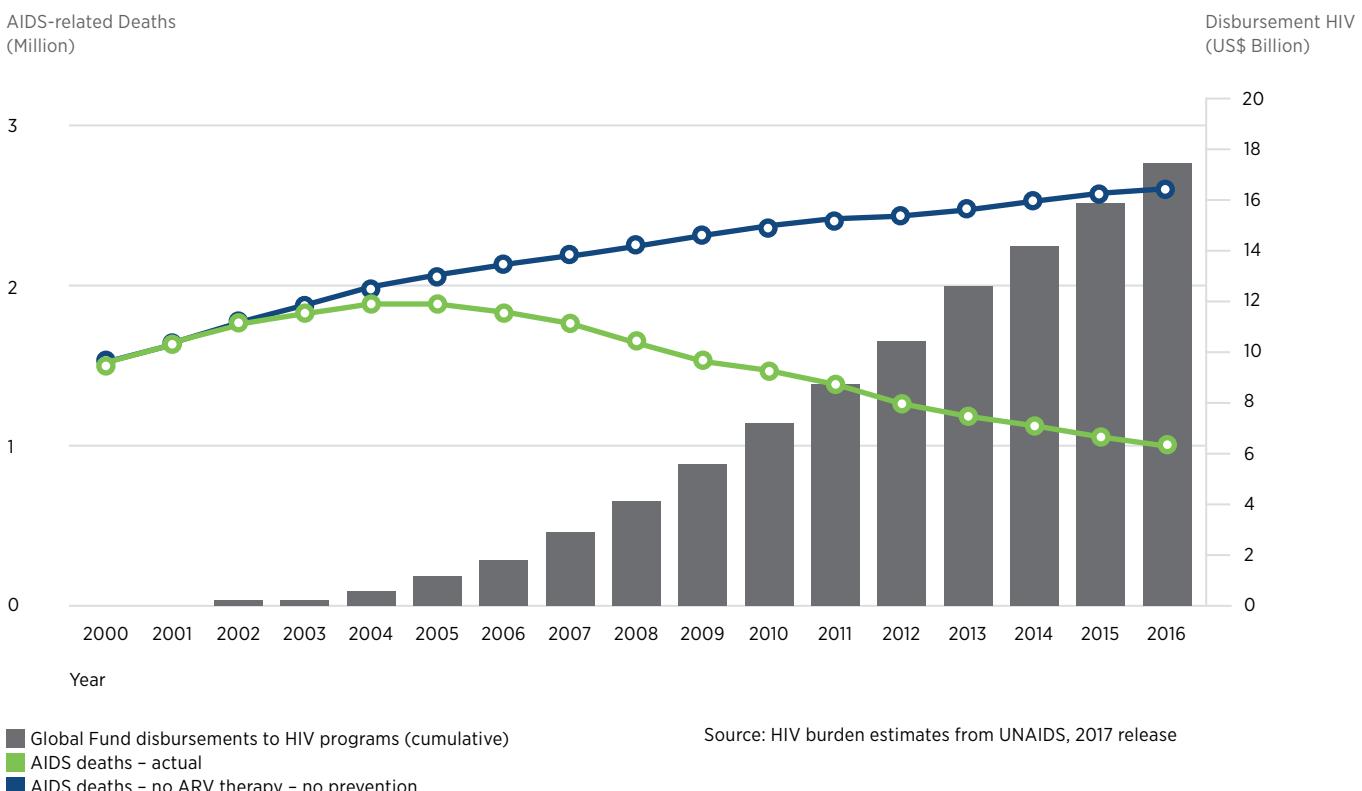
Key populations including men who have sex with men, sex workers, transgender people and people who inject drugs have infection rates many times higher than the general population, and still face stigma and human rights-related barriers that prevent them from accessing health care. TB is the leading cause of death for people living with HIV. And while it is right to celebrate that 19.5 million people are on ARV therapy, another 17.2 million people still need it.

To reach everyone in need with prevention, care and treatment, the Global Fund and partners are moving to a differentiated care approach. Differentiated care makes HIV services more accessible and tailored to meet the different needs of people living with HIV, using a variety of options including community health workers, local health facilities, drug collection points and different strategies for HIV testing to increase access to care and treatment adherence.

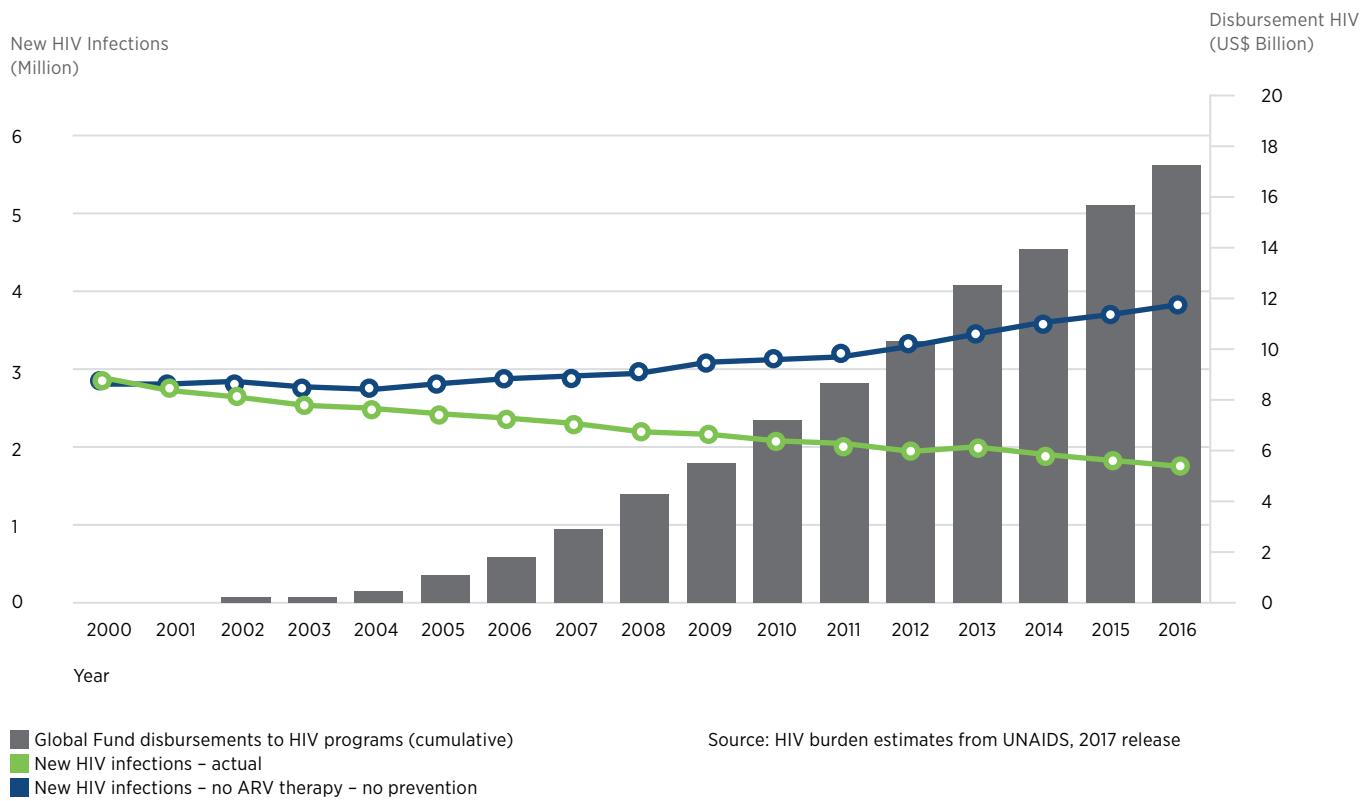
In collaboration with Unitaid and WHO, the Global Fund is supporting the expansion of HIV self-testing to increase the number of people who are aware of their status so they can receive treatment. Three blood-based HIV self-test kits and an oral self-test kit are now available for procurement, upon request by countries and under specific processes determined by the Global Fund and Unitaid.

WHO recommends pre-exposure prophylaxis (PrEP) should be offered as an additional prevention choice for people at substantial risk of HIV infection as part of a combination of

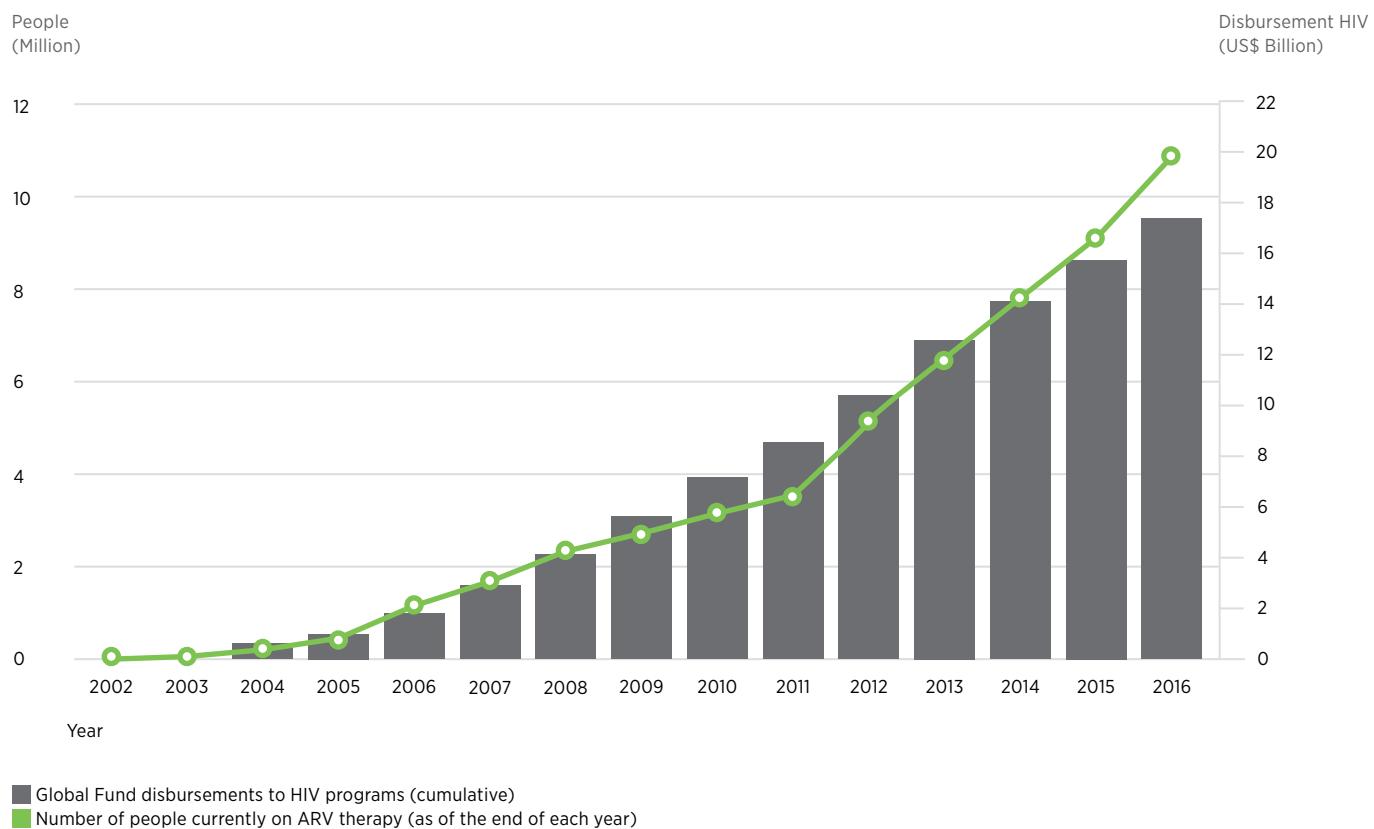
Trends in AIDS-related Deaths (2000-2016) in Global Fund-supported Countries



Trends in New HIV Infections (2000-2016) in Global Fund-supported Countries



Number of People on Antiretroviral Therapy (2002-2016) through Global Fund-supported Programs



prevention approaches. An increasing number of countries are including PrEP in Global Fund-supported programs and in new funding requests. Countries like South Africa, Swaziland and Georgia have already successfully integrated PrEP into their HIV prevention programs.

The Global Fund is working together with partners to address the growing threat of HIV drug resistance to first-line ARVs, which has already been reported in several countries. The Global Fund supports the WHO recommendation of including early warning indicators and HIV drug resistance surveys as critical components of national ARV plans.

Strong partnerships are required to expand these approaches. The HIV Situation Room was established in 2015 as a multi-partner platform to strengthen the response at country level, mobilize partner support for unmet needs, and address issues relating to TB/HIV integration, health systems strengthening and human rights and gender.

HIV: RESULTS FOR KEY INTERVENTIONS SUPPORTED BY THE GLOBAL FUND

The Global Fund provides more than **20 percent of all international financing for HIV** programs, and has disbursed more than **US\$17 billion** for HIV programs in more than 100 countries from 2002-2016 (this does not include TB/HIV programs). The Global Fund focuses on countries with high disease burden; where the proportion of key populations is highest; and where the national health systems lack capacity to respond to the disease. The majority of the Global Fund's HIV investments are focused on countries in sub-Saharan Africa, which have been the hardest hit by the disease. Strategic investments have been made in countries where key populations have challenges accessing health care, particularly sex workers, men who have sex with men, people who inject drugs, transgender people, prisoners and migrants.

The number of **deaths caused by AIDS has declined by 48 percent** in countries where the Global Fund invests, from 1.9 million in 2004 to 1 million in 2016.

The rapid increase in access to ARV therapy in countries supported by the Global Fund – from 3 percent coverage in 2005 to 21 percent in 2010 and 52 percent in 2016 – has been a tremendous contributing factor. As Global Fund investments in ARV therapy have increased, there has been a corresponding increase in the number of people accessing treatment – and as the cost of ARVs decreases, Global Fund investments are reaching ever-greater numbers of people. The Global Fund Strategy 2012-2016 set a target of 7.3 million people on ARV therapy by the end of 2016. That target was achieved in 2014. As of end 2016, 11 million people are receiving ARV therapy through Global Fund-supported programs.

A leading factor in expanding access to treatment is reducing prices for ARVs. The Global Fund's pooled procurement

mechanism delivers HIV drugs more effectively and reliably and at sharply lower cost. In 2000, a one-year supply of ARVs cost more than US\$10,000. It can now cost as low as US\$84 thanks to the introduction of generic ARVs, economies of scale in purchasing large volumes, and by working with partners and negotiating directly with manufacturers.

Increasing access to ARVs is part of the solution, but preventing new infections is critical to halt the epidemic. Between 2000 and 2016, the number of new **HIV infections declined by 40 percent** in countries supported by the Global Fund. Nearly 76 percent of high-impact countries where the Global Fund invests and where quality data are available have **reduced the incidence of HIV by 50 percent** or more (16 countries, with 59 percent of the global disease burden).

Approximately 60 percent of the Global Fund's spending is directed to women and girls, who are disproportionately affected by HIV in particular. In addition to existing country programs, the Global Fund has committed US\$55 million in catalytic funding for 2017-2019 for 13 of the most affected

countries in Southern and East Africa to support integrated prevention, treatment and care programs for adolescent girls and young women, including programs such as keeping girls in school, services to address and prevent gender-based violence, social protection programs, girls' empowerment groups, and youth-friendly health services and care. Between 2005 and 2016, the absolute number of AIDS-related deaths among women aged 15 years and above declined 66 percent in 13 key African countries where the Global Fund invests (Botswana, Cameroon, Kenya, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe), while declining 49 percent among men the same age.

Counseling and testing for HIV are critical to identifying those living with HIV so they can receive the treatment and care they need. Global Fund-supported programs have provided more than **579 million counseling and testing encounters**.

Global Fund-supported programs have provided **4.2 million HIV-positive mothers with treatment to prevent transmission of HIV to their babies**. Fewer people dying from AIDS-related causes means fewer children are left orphaned by the disease, but many children are still vulnerable due to the illness or loss of a parent to AIDS. Since 2002, Global Fund-supported programs have provided basic **care and support services to 8 million orphans and vulnerable children**.

The Global Fund remains the world's major investor in **harm reduction programs** for people who inject drugs. This includes supporting interventions such as: raising awareness of behavioral risks; supplying clean needles to avoid needle sharing; providing basic medical care; testing and counseling; and support for people who inject drugs to transition to methadone substitution therapy.



Abida Nowroz is one of hundreds of nurses who have received training to provide health care in remote communities in Afghanistan. These women play a crucial role in prevention and timely treatment of diseases such as tuberculosis.

Decline in Tuberculosis Burden

The Sustainable Development Goals have set the goal of ending TB as an epidemic by 2030. The WHO End TB Strategy has called for a 90 percent reduction in TB deaths and an 80 percent reduction in the TB incidence rate by 2030, compared to 2015. These ambitious goals are borne out of the great progress made against the disease in the last two decades.

However, WHO data from 2015 show the TB epidemic is larger than previously estimated, killing an estimated 1.4 million HIV-negative people – making TB now the world's deadliest infectious disease. The new numbers were not a reflection of the growth of the disease; they were a result of new surveillance and survey data from India. TB incidence rates continue to fall globally, as well as in India. Nevertheless, more needs to be done to accelerate that decline of incidence rates, which stood at 1.5 percent from 2014 to 2015. Additionally, more effort is needed to curb TB deaths, which fell **22 percent** between 2000 and 2015.

Overall, the story of progress against TB is commendable. Global TB treatment programs **averted 49 million deaths** between 2000 and 2015 (including 10 million HIV-positive people). The number of deaths from TB in 2015 would have been more than three times higher in absence of interventions. In countries supported by the Global Fund, the mortality rate from TB declined 35 percent and actual deaths declined **21 percent** between 2000 and 2015 (excluding HIV-positive people).

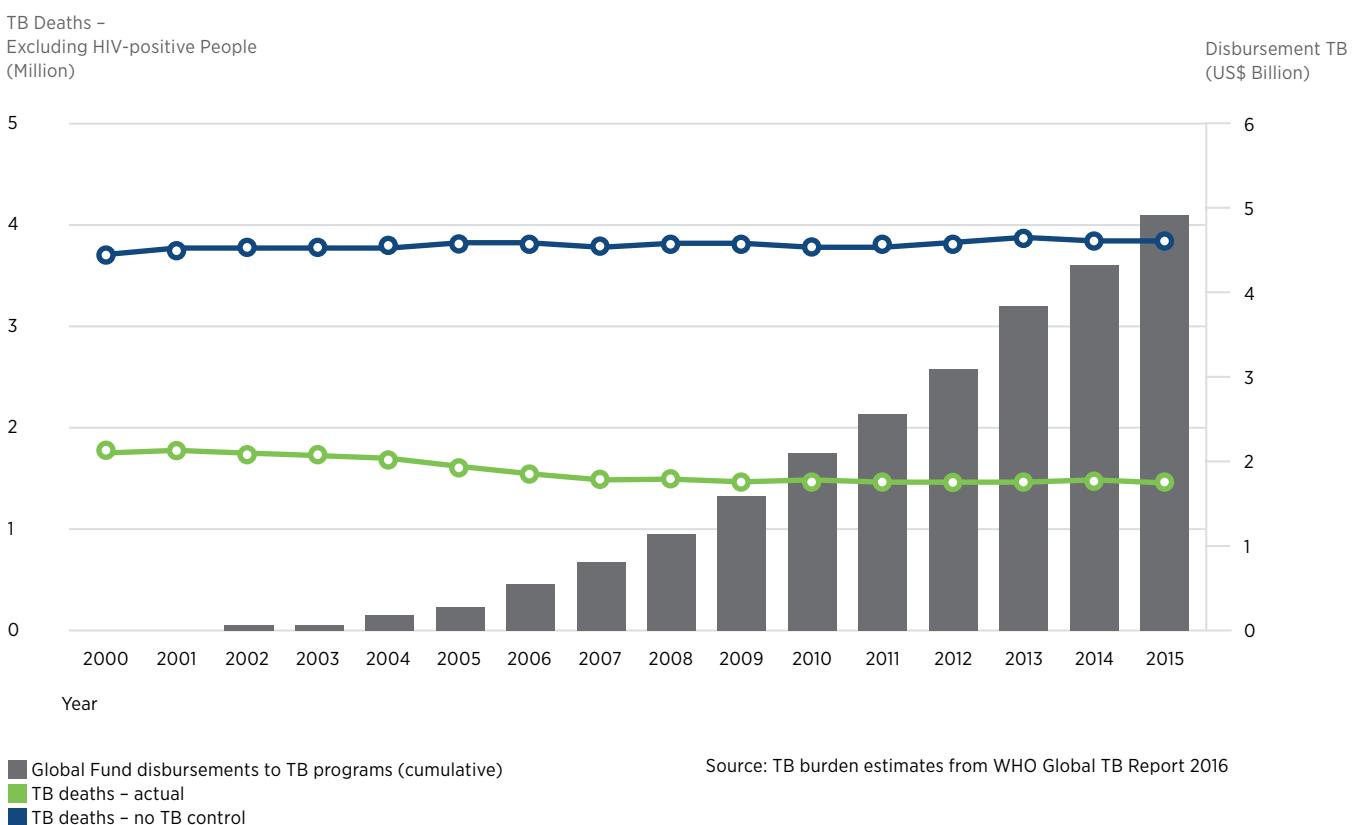
Additionally, the number of TB cases in countries where the Global Fund invests went down **5 percent** between 2005 and 2015.

TB is a cause and consequence of poverty. Even when TB treatment may be available free of charge, there are other costs involved in treatment such as transport and need for good nutrition. The long periods of treatment – up to 8 months for drug-sensitive TB and 20 months or more for drug-resistant TB – can lead to loss of livelihood. The disease thrives in areas with poor living conditions.

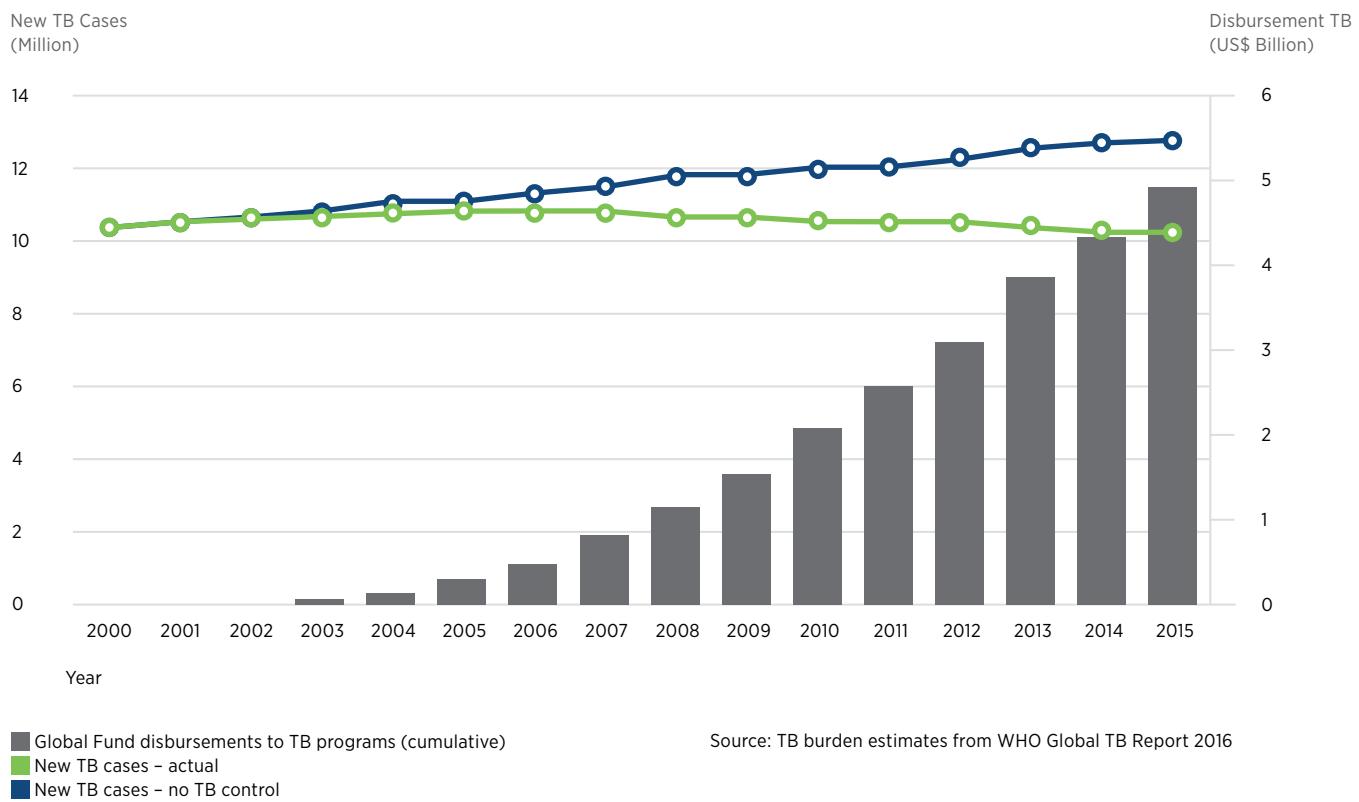
WHO has segmented high burden countries for the period 2016-2020 into three categories: TB, TB/HIV co-infection, and multidrug-resistant TB. Each list includes 30 countries. The Global Fund invests in most of these countries. These investments are achieving great results; **86 percent** of the Global Fund's high-impact countries with accessible data have bent the curve of TB incidence downward.

In 2015, **4.3 million cases of TB went undiagnosed, untreated or unreported**. According to the Global Tuberculosis Report 2016, these missing cases form 40 percent of the 10.4 million people who become ill with TB. Moreover, only 20 percent of the 580,000 people newly diagnosed with drug-resistant TB started treatment. This is a major challenge in the fight against TB. As long as millions of people live with the disease without treatment and continue to transmit the infection to others, the world will not end TB as an epidemic. Multidrug-resistant TB will continue to grow, remaining a growing threat to global health security.

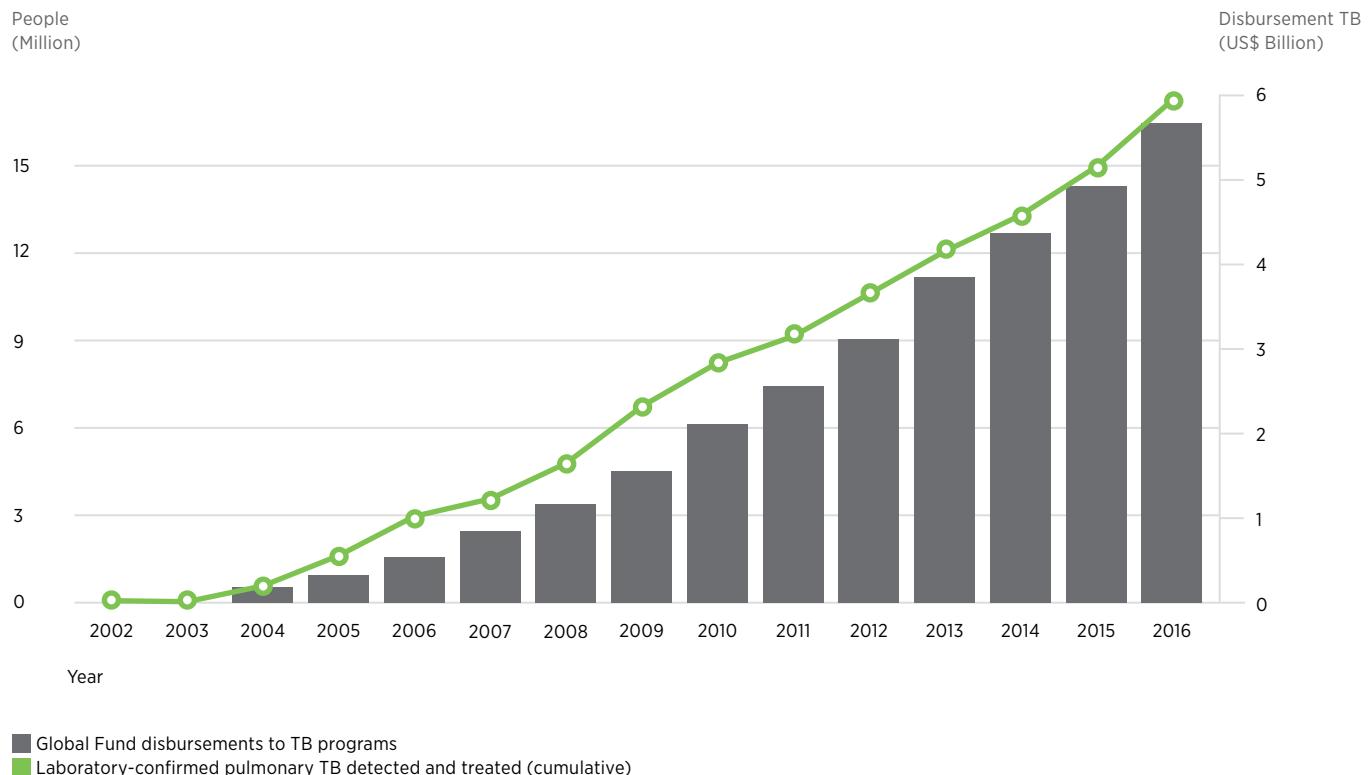
Trends in Tuberculosis Deaths (2000-2015) in Global Fund-supported Countries



Trends in New Tuberculosis Cases (2000-2015) in Global Fund-supported Countries



Number of People (Laboratory-confirmed) Treated for Pulmonary Tuberculosis (2002-2016) through Global Fund-supported Programs



With a new investment called catalytic funding, the Global Fund is supporting innovative programs that address barriers to finding missing cases of TB, and develop and facilitate expansion of the most successful tools and strategies to find cases of TB missed by health systems. Among other things, this means adding TB screening to other routine check-ups during medical visits, and developing more efficient and effective ways for private health care providers who are treating TB cases to report those cases to the national TB program. It also involves supporting community initiatives, including community health workers who go house to house, to find more missing cases of the disease.

Drug-resistant tuberculosis is a major global public health problem that threatens the significant progress made in TB care and prevention in recent decades. It is part of the growing challenge of antimicrobial resistant superbugs that do not respond to existing medications, resulting in fewer treatment options and increasing mortality rates for illnesses that would ordinarily be curable. WHO recently endorsed a shorter treatment regimen for multidrug-resistant tuberculosis and a rapid diagnostic test. The Global Fund is supporting the procurement of new diagnostic technologies and shorter regimens to help in the response multidrug-resistant tuberculosis.

TUBERCULOSIS: RESULTS FOR KEY INTERVENTIONS SUPPORTED BY THE GLOBAL FUND

The Global Fund provides more than **65 percent of all international financing for TB**, and has disbursed more than **US\$5.8 billion** for TB programs in more than 100 countries from 2002-2016 (including TB/HIV programs). The Global Fund's investments focus on countries with the highest disease burden and with the highest proportion of key populations, including people living with TB/HIV co-infection, migrants, refugees and displaced people, miners, prisoners, children in contact with TB cases and people who inject drugs.

17.4 million people have received treatment for laboratory-confirmed pulmonary TB since 2002 in countries where the Global Fund invests. The number of people tested and treated for TB has increased by **14 percent** between 2015 and 2016. Additionally, the number of people being treated for multidrug-resistant forms of TB has increased to **373,000** – a **50-fold increase** since 2005.



Impact Story

Tracking TB in Tanzania

On a recent morning, Rashidi Gora, a community health worker in Dodoma, Tanzania, left his house for another day hunting for tuberculosis cases. For Gora, finding the next TB patient, or reconnecting with an old one who may have dropped out of a treatment program, is a life mission. Gora is one of thousands of community health workers in Tanzania who have enlisted to track missing cases of TB.

“Missing” cases – people who fail to be diagnosed, treated or reported – are a major challenge in the fight against TB, and contribute to the growing problem of drug-resistant TB. Worldwide, 40 percent of the 10.4 million people who get sick with TB and 80 percent of the 580,000 people suffering from drug-resistant TB were missed in 2015.

Tanzania’s first national TB prevalence survey in 2013 showed that there are over 100,000 missing cases every year. There was need to act. In the last year, the Global Fund in partnership with Save the Children has trained and deployed more than 2,000 community health workers in Tanzania to find more missing cases of TB, and the Global Fund supports Tanzania through a program on active case finding of TB within 192 health facilities. By linking departments in health facilities to look for TB among all patients and connecting community health workers like Gora to formal health systems, the new initiative plans to greatly reduce the number of missing cases.







Decline in Malaria Burden

Fighting malaria is a wise investment. The tools and treatments to prevent and cure malaria are relatively inexpensive, and the resulting reduction in malaria also reduces school and work absenteeism, and health expenses for families. The Roll Back Malaria Partnership estimates malaria eradication will produce US\$4 trillion in economic benefits and save an additional 10 million lives over the period 2016-2030.

We are making significant strides. The number of deaths caused by malaria globally declined 50 percent between 2000 and 2015 – that translates to an estimated **6.8 million deaths averted**. The number of malaria cases has declined rapidly, dropping by more than 18 percent in that same period, resulting in a total of **1.3 billion malaria cases averted** globally between 2001 and 2015.

These achievements have bolstered renewed efforts to significantly shrink the malaria map. The Global Technical Strategy for Malaria 2016-2030, and the Sustainable Development Goals, call for malaria to be eliminated from at least 35 countries in which it was transmitted in 2015. An additional milestone has been set for the elimination of malaria in at least 10 countries by 2020 – a target the health community believes is well within reach.

In 2015, 10 countries and territories reported fewer than 150 locally-acquired cases of malaria, and in 2016 Sri Lanka became one of a handful of tropical countries to be

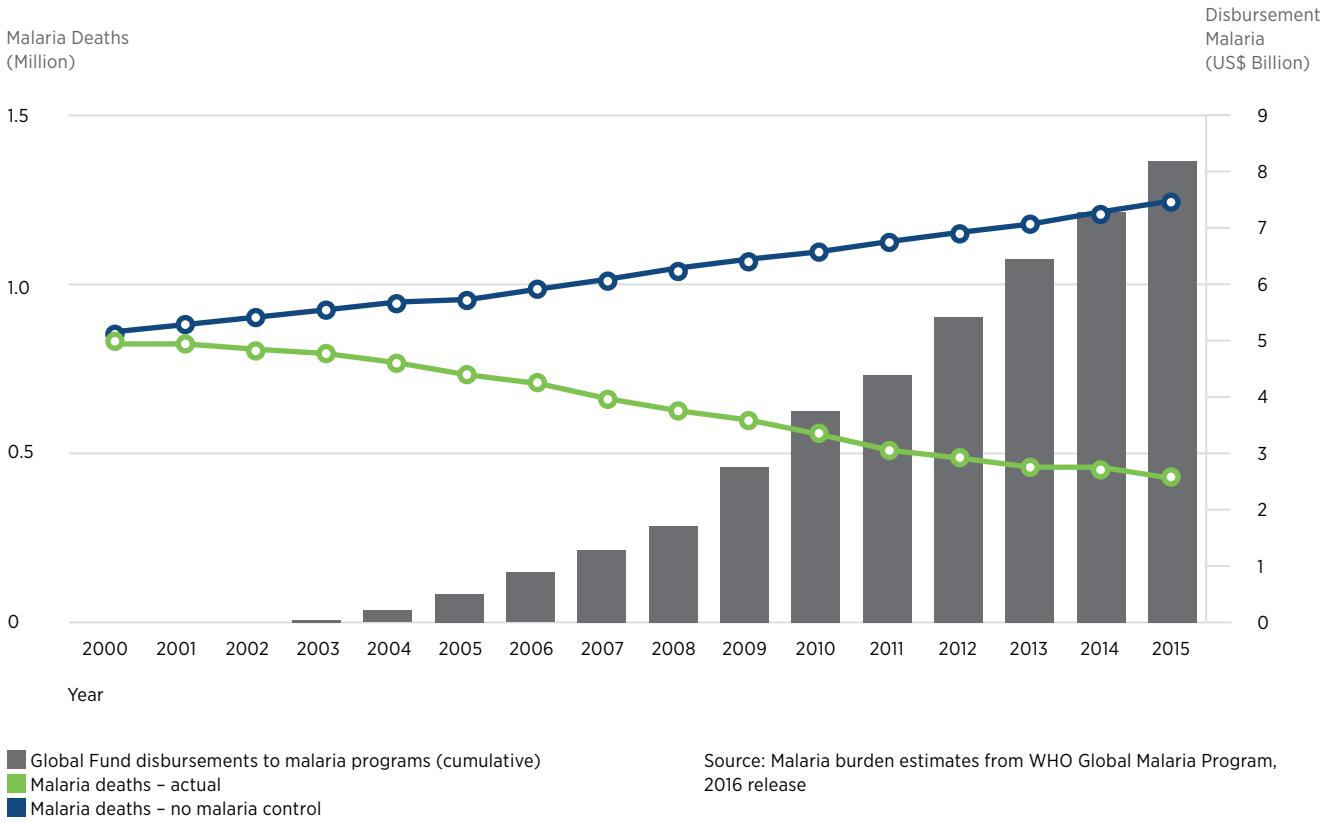
declared malaria-free. In places on the cusp of elimination, the Global Fund supports approaches that focus control activities in targeted geographic areas or for specific, high-risk populations. Enhanced case finding is resource intensive – requiring identifying and following up with every case, including family or community members who also might have been exposed – but it is essential to interrupting malaria transmission and achieving elimination. The investment to eliminate malaria will pay dividends beyond one disease, by alleviating a significant burden on resource-constrained health systems.

Despite the progress and promise, we face serious challenges. The Greater Mekong region is ground zero for the emergence of drug-resistant malaria; insecticide resistance is widespread across Africa, where the disease burden is highest; climate change, migration and political instability impact malaria transmission dynamics and service delivery; substandard and counterfeit drugs are widely available; attention and focus can dissipate as the malaria burden drops. The last point is significant. The history of malaria elimination efforts shows that the disease will exploit any let up in efforts to control it. Even impressive gains can be wiped out by a lapse during a single transmission season.

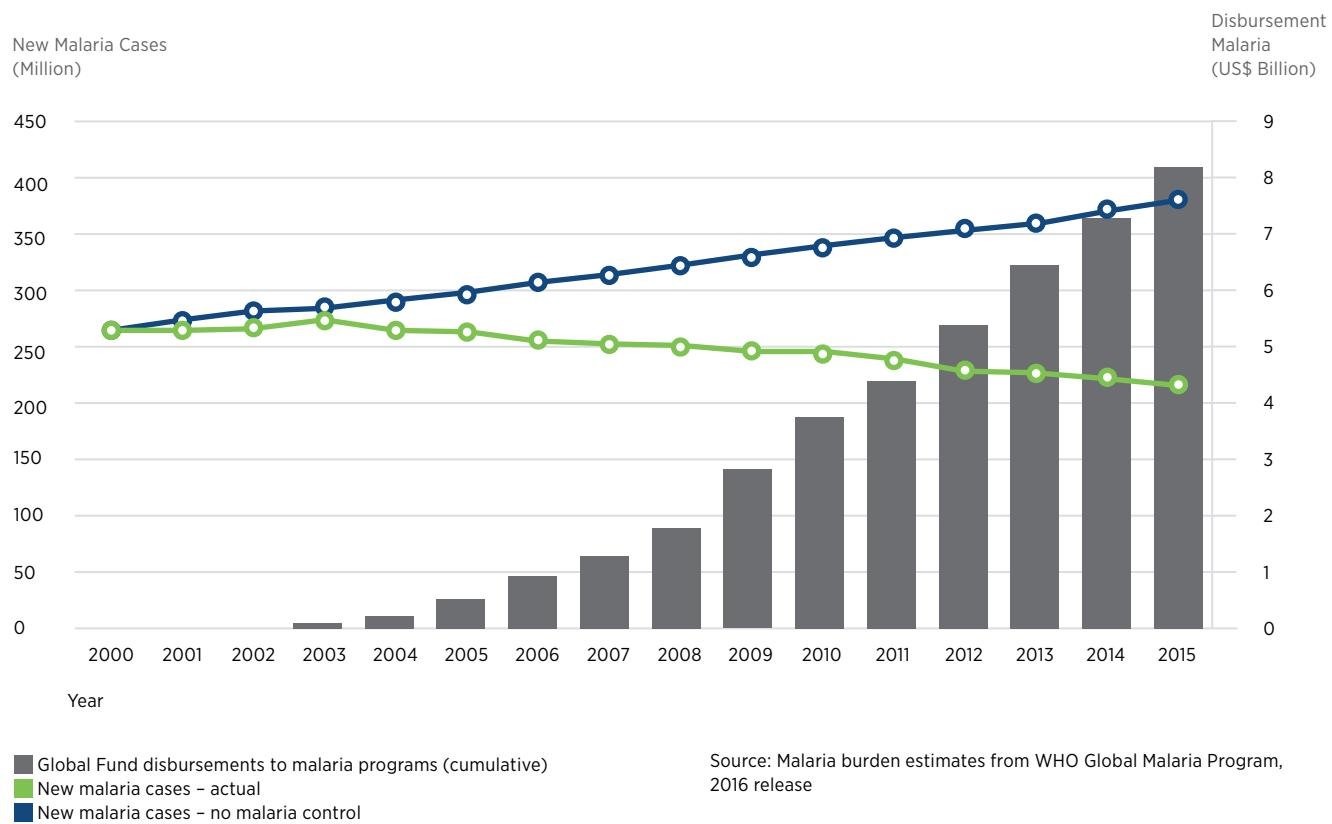
MALARIA: RESULTS FOR KEY INTERVENTIONS SUPPORTED BY THE GLOBAL FUND

The suite of tools for malaria prevention and treatment supported by the Global Fund includes insecticide-treated mosquito nets, indoor residual spraying, intermittent

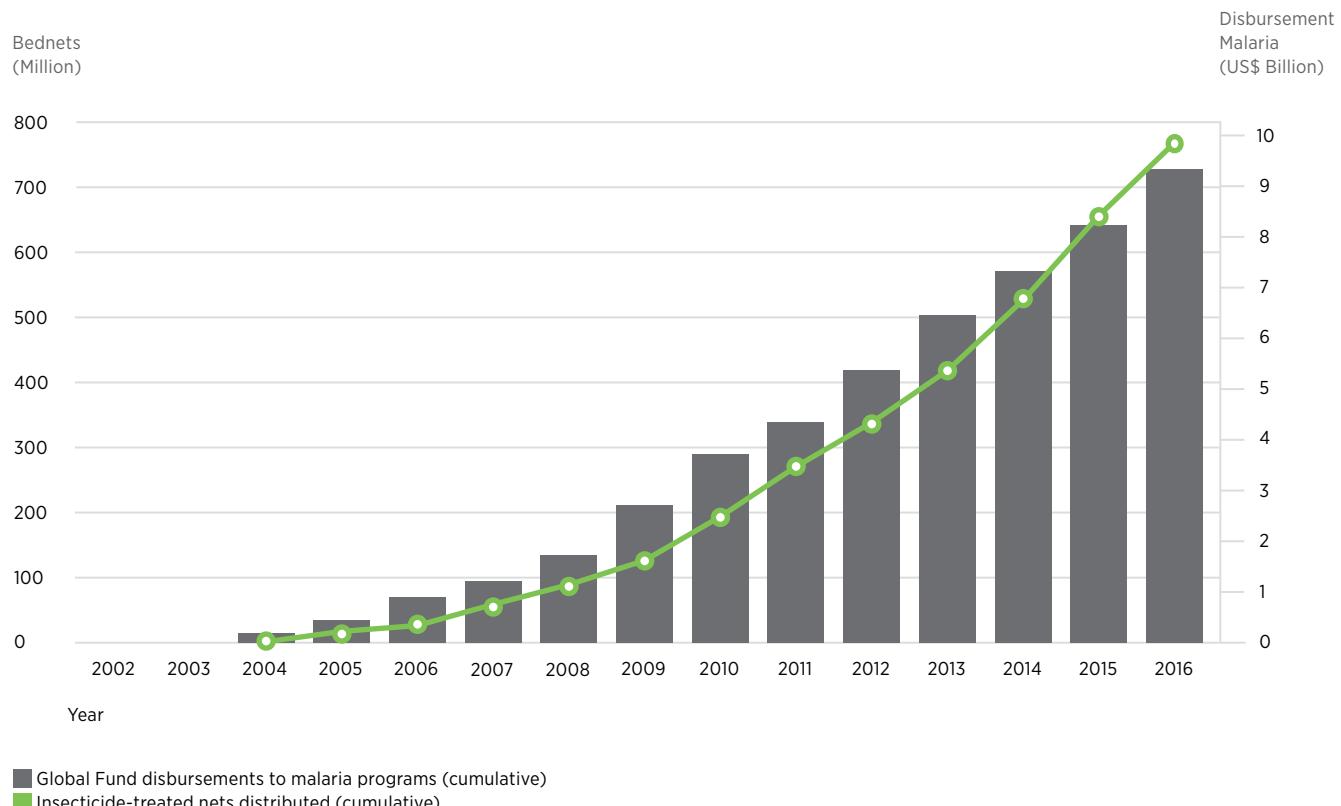
Trends in Malaria Deaths (2000-2015) in Global Fund-supported Countries



Trends in New Malaria Cases (2000-2015) in Global Fund-supported Countries



Number of Insecticide-treated Nets Distributed (2002-2016) through Global Fund-supported Programs



preventive treatment for pregnant women, seasonal malaria chemoprevention, and diagnosis by malaria microscopy or rapid diagnostic test, together with effective treatment for confirmed malaria cases with artemisinin-based combination therapies. The Global Fund Board has approved US\$33 million in additional catalytic funding to work with Unitaid to pilot the next generation of mosquito nets to combat insecticide resistance. A separate catalytic fund will support the pilot introduction of RTS,S, a malaria vaccine, a joint effort with WHO, Gavi, the Vaccine Alliance, and Unitaid.

The Global Fund provides **50 percent of all international financing** for malaria, and has invested more than US\$9.1 billion in malaria control programs in more than 100 countries from 2002-2016, using a comprehensive approach that combines education, prevention, diagnosis and treatment. In particular, programs focus on pregnant women and children under the age of 5, who are especially vulnerable to the disease.

The simplest and most effective malaria preventive tool is a long-lasting insecticidal net that a family can hang over their sleeping area. Not only does a net protect families from a mosquito bite, but the insecticide on a net also kills the mosquitoes that carry the disease. When mosquito nets are distributed, they are accompanied by education about how they should be used effectively. More than **795 million mosquito nets** have been distributed through Global Fund-supported programs.

In Africa, the continent with the highest malaria burden, the percentage of people at risk for malaria who have access to mosquito nets grew from 6 percent in 2005 to 35 percent in 2010 and 62 percent in 2015 in countries where the Global Fund invests.

In sub-Saharan Africa, Global Fund-supported programs distributed a total of 418 million mosquito nets between 2012 and 2016 alone.

Through a partner-based approach to procuring mosquito nets, the Global Fund has achieved substantial cost savings, which are being redirected to the purchase of additional nets. Most affected countries are now able to distribute mosquito nets that cost as low as US\$2.30 per net, a 38 percent reduction from the price in 2013, allowing purchase of 54 million additional mosquito nets in 2016 and early 2017 alone. Beyond a competitive price, the Global Fund's procurement practices prioritize sustainable supply and on-time delivery.

Cases of malaria treated through Global Fund-supported programs **rose 15 percent** in the past year alone, to hit a cumulative total of **668 million** by end 2016.

Through Global Fund-supported programs, the number of homes and other structures that have received indoor residual spraying to prevent the spread of malaria has reached 73.9 million.



60%
DECREASE

**IN MALARIA MORTALITY IN
CHILDREN UNDER 5 IN
GLOBAL FUND-SUPPORTED COUNTRIES**





Impact Story

Racing Drug Resistance to End Malaria in the Mekong

Resistance of malaria parasites to artemisinin – the core compound of the best available antimalarial medicines – has been detected in five countries of the Greater Mekong, and one province of China. Resistance is both the greatest threat to ongoing malaria elimination efforts in the region, and the strongest rationale for undertaking these efforts with urgency.

The Global Fund's Regional Artemisinin-resistance Initiative (RAI) grant has supported Cambodia, Laos, Myanmar, Thailand and Viet Nam to purchase and distribute commodities such as insecticide-treated nets, rapid diagnostic tests, and quality-assured drugs, which together yielded a sharp drop in malaria deaths.

The grant will continue to support countries to invest in case management through health volunteers and surveillance systems, which often require intensive training, information technology and human resources. As infected people can freely traverse borders, a regional approach is essential to health security and preventing a resurgence of the disease. It's working. Incidence rates have fallen by more than half since 2012, and death rates have plummeted by 84 percent. Cambodia reported just one malaria death in 2016.

But even after malaria cases are reduced to zero, countries need resilient and sustainable systems for health to ensure the disease is not reintroduced. RAI includes a significant investment in health information systems, provision of integrated health services, support for national health strategies and efficient supply chains.



In Niger, the Global Fund's investments in integrated health care systems and preventative treatment have led to a significant decline in malaria cases in children under 5.

Mortality of Children under Five

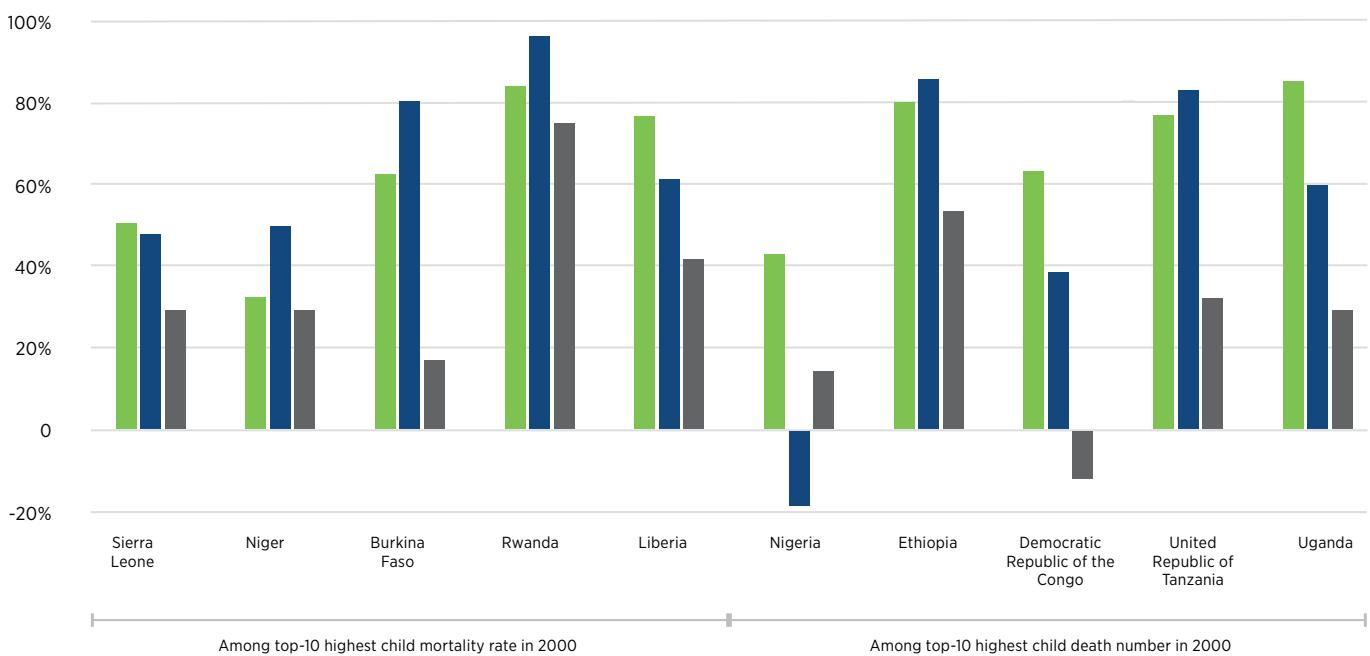
Children under the age of 5 are the most vulnerable to malaria, because they are still developing immunity to the disease; 70 percent of malaria deaths in 2015 were in children under 5. Pregnant women and their unborn children are also vulnerable, because the immune system changes during pregnancy. Protecting young children and pregnant women is paramount to any malaria control strategy.

Since 2000, the number of malaria deaths among children under 5 has fallen by 56 percent in countries supported by the Global Fund, largely through the use of insecticide-treated mosquito nets and artemisinin-based combination therapy to treat malaria cases. In Africa alone, reduced malaria mortality rates, particularly among children under 5, have led to a rise in life expectancy at birth of 1.2 years, accounting for 12 percent of the total increase from 50.6 years in 2000 to 60 years in 2015.

Programs to prevent the transmission of HIV from mothers to their babies now reach more than three-quarters of HIV-positive mothers. With a success rate of more than 95 percent, fewer children are starting life with the virus.

Around 70 percent of the global decline in under-5 deaths since 2000 are due to the prevention and treatment of infectious diseases. Gavi, the Vaccine Alliance, UNICEF, and others have played key roles in that success through vaccine programs in particular. Investment in targeted programs to combat malaria and HIV have meant greater declines in deaths from these causes than from other childhood ailments. A comprehensive health approach is needed to increase progress across all causes of childhood mortality, which is why the Global Fund encourages countries to link reproductive, maternal, newborn, child and adolescent health interventions with HIV, TB and malaria programs.

Percentage Decrease in Number of Malaria and AIDS-related Deaths in Children under Five (2000-2015)



- Deaths attributed to malaria
- AIDS-related deaths
- Deaths from all other causes

Source: UN Inter-agency Group for Child Mortality Estimation (IGME); WHO and Maternal and Child Epidemiology Estimation Group (MCEE); UNICEF, 2015 release

Essential Indicators

The Global Fund Strategy 2012-2016: Investing for Impact had set two ambitious goals and related disease-specific targets. The goals of saving 10 million lives and preventing 140-180 million new infections over 2012-2016 have been met. The targets for people receiving antiretroviral therapy (target: 7.3 million; actual: 11 million at end-2016 – target 150 percent reached), number of people treated for TB (target: 15.5 million; actual: 15.9 million at end-2016 – target 103 percent reached) and number of mosquito nets distributed in Sub-Saharan Africa (target: 390 million; actual: 418 million at end-2016 – target 108 percent reached) were met and exceeded.

Number of Services Provided through Global Fund-supported Programs

	MILLIONS, IF NOT SPECIFIED		
	2005	2010	2016
HIV			
Treatment: people currently receiving ARV therapy	0.4	3.2	11
Basic care and support services provided to orphans and other vulnerable children	0.5	5.6	8
Condoms distributed, billions	0.3	3.1	5.3
Counseling and testing encounters	6.9	173	579
HIV-positive pregnant women receiving ARV prophylaxis for PMTCT	0.1	1.1	4.2
TB			
Treatment: people (laboratory-confirmed) treated for pulmonary tuberculosis	1.5	8.2	17.4
People treated for multidrug-resistant TB, thousands	7.6	52	373
MALARIA			
Prevention: insecticide-treated nets distributed	12	194	795
Prevention: structures covered by indoor residual spraying	4.5	36	73.9
Treatment: cases of malaria treated	12	212	668
CROSS-CUTTING			
Community outreach prevention services (behavior change communications)	13	211	501
People receiving care and support	0.8	13	32.7
“Person episodes” of training for health or community workers	1.7	14	16.6

Percentage Decline in Morbidity and Mortality

The following table illustrates remarkable gains with regard to international targets for reducing incidence and death rates of HIV, TB and malaria between 2000 and 2016 achieved by 21 “high-impact” countries where the Global Fund invests. As shown in the table, overall, incidence and death rates have declined in the majority of the Global Fund’s high-impact countries. In 16 and 10 out of the 21 high-impact countries, HIV incidence and death rates declined more than 50 percent, respectively.

For TB, 18 and 19 countries showed a decline in incidence and death rates, respectively. Three and six of these countries exceeded a 50 percent decline in incidence and death rates, respectively. For malaria, all 21 countries except one showed a decline in incidence and death rates, with 11 countries exceeding a 50 percent decline in incidence and 17 countries exceeding a 50 percent decline in malaria deaths.

		HIV (2000-2016)		TUBERCULOSIS* (2000-2015)		MALARIA (2000-2015)	
		incidence	mortality	incidence	mortality	incidence	mortality
HIGH IMPACT AFRICA - 1	Congo (Democratic Republic)	85%	68%	1%	0%	49%	75%
	Côte d'Ivoire	78%	59%	57%	72%	31%	67%
	Ghana	54%	65%	26%	35%	45%	54%
	Nigeria	59%	24%	1%	-5%	24%	64%
	South Africa	58%	33%	-42%	16%	65%	75%
	Sudan	-33%	-100%	31%	30%	60%	62%
HIGH IMPACT AFRICA - 2	Ethiopia	77%	82%	54%	73%	75%	76%
	Kenya	68%	80%	19%	-24%	40%	49%
	Mozambique	67%	5%	-7%	27%	40%	76%
	Tanzania (United Republic)	74%	80%	39%	27%	71%	64%
	Uganda	68%	84%	27%	71%	58%	86%
	Zambia	54%	78%	48%	28%	53%	69%
	Zimbabwe	73%	76%	60%	41%	29%	29%
HIGH IMPACT ASIA	Bangladesh	-100%	-100%	0%	39%	89%	88%
	India	75%	40%	25%	35%	51%	51%
	Indonesia	-67%	-100%	12%	25%	-4%	-39%
	Myanmar	74%	18%	11%	64%	40%	46%
	Pakistan	-100%	-100%	2%	66%	75%	76%
	Philippines	-100%	-100%	13%	66%	95%	94%
	Thailand	83%	72%	29%	48%	50%	97%
	Viet Nam	63%	-100%	30%	49%	88%	89%

■ Increased (capped at -100%) ■ < 25% decline ■ 25-50% decline ■ >50% decline

HIV incidence rate: number of new HIV infections per HIV-negative population in year t-1. TB incidence rate: number of new TB cases per total population. Malaria incidence rate: number of new malaria cases per population at risk of malaria. HIV mortality rate: number of people dying from AIDS per population. TB mortality rate: number of HIV-negative TB patients dying from TB per population. Malaria mortality rate: number of people dying from malaria per population at risk of malaria.

Source: UNAIDS, 2017 release, WHO Global TB Report 2016, WHO Global Malaria Program, 2016 release

* excluding HIV-positive

Resilient and Sustainable Systems for Health

Since the beginning, the Global Fund partnership has recognized that strong health systems are necessary to end HIV, TB and malaria as threats to public health. The Global Fund Strategy 2017-2022 reaffirms this commitment to invest vigorously in building resilient and sustainable systems for health that can respond not only to the three diseases, but yield broader health outcomes and deliver comprehensive health in a sustainable, equitable and effective manner.

For the first time, support for resilient and sustainable systems for health has been elevated to the level of a Global Fund strategic objective. This development builds on successful investments in health systems strengthening. Financial tracking shows a significant increase in demand by countries to strengthen systems for health.

One-third of Global Fund investments support resilient and sustainable systems for health. Working with partners, the Global Fund is taking a differentiated approach, with investments that focus on strengthening supply chains and data, building stronger community responses, expanding the qualified health workforce and creating integrated health systems so people can receive comprehensive care throughout their lives.

In the 2017-2019 period, the Global Fund will implement the new strategy on health systems through grant allocations as well as by supporting special initiatives as part of the new catalytic funding mechanism. These special initiatives will support innovative activities in multiple areas that amplify ongoing programs: service delivery integration, data quality and data usage, human resources for health, procurement and supply chain management and improving health sector governance. Additionally, a number of countries have been allocated matching funding: a portion of catalytic funding aimed at incentivizing programming of country allocations for priority areas.

Efficient procurement and supply chain systems are a pillar of strong health systems and are critical to achieving universal health coverage. The Global Fund is investing in improving supply chains and pharmaceutical management, and is developing a supply chain strategy to achieve better impact. In Nigeria, the Global Fund is working with the government and partners to address structural problems, reduce costs and improve efficiency of supply chains. In Mozambique, the Global Fund is partnering with the government to refurbish provincial storage facilities in poor condition, outsource transportation to improve delivery of medicines and train warehouse employees in supply chain management.

The Global Fund recognizes the importance of integrated service delivery to improve impact, as well as the vital link between health services and community responses, particularly in efforts to reach key populations and vulnerable people who do not always go to health clinics because of stigma. In Afghanistan, the Global Fund is working with the government and partners to support the expansion of Family Health Houses, which integrate

health services such as antenatal, maternal and newborn care and immunization for children. In Ukraine, Global Fund grants are supporting patient-oriented prevention, treatment and care of people living with HIV and TB. The Global Fund's investments are supporting countries to better integrate community systems and responses in long-term national health plans, with a focus on sustainability.

Strong health systems are essential for ending HIV, TB and malaria as epidemics, accelerating progress toward universal health coverage, and helping countries prepare for emerging threats to global health security.

The use of quality data allows governments to respond quickly to an emerging public health crisis and to deliver the highest quality services. In the Democratic Republic of Congo, the Global Fund and partners are supporting the implementation of a health management information system to boost the collection and use of disaggregated and real-time data. Better use of data empowers countries to inform policies and improve decision-making.



MORE THAN
1/3
OF INVESTMENTS

GO TO BUILDING RESILIENT
AND SUSTAINABLE SYSTEMS
FOR HEALTH



Impact Story

Filling the Health Gap



Dieynaba Sow is part of a growing corps of community health workers in Senegal who have transformed health care delivery by providing lifesaving treatment in hard-to-reach rural areas where health facilities are either under-resourced or nonexistent. As caregivers and educators, community health workers – trusted volunteers who live and work in the remote communities they serve – have significantly increased early malaria and TB referral rates, eliminating potentially deadly delays.

The Global Fund's investments in Senegal support the country's commitment to expanding health services deeper into its underserved communities, an initiative that has deployed more than 25,000 community workers and yielded transformative results. Senegal's malaria-related deaths have fallen by 55 percent since 2002, and 33 districts – including Dieynaba's – have reached the pre-elimination stage. This milestone indicates transmission rates have dropped sufficiently to start shifting programs from the goal of control to that of elimination.

With community-based organizations on the front lines to fight TB, the percentage of new smear-positive cases successfully treated and managed by community health workers reached 97 percent in 2016 – outperforming overall national success rates. Every day, thousands of volunteers screen the hardest-hit neighborhoods in search of people who may be ill. By bringing health care and lifesaving treatment to where people live, community health workers are part of the solution to end TB and malaria as threats to public health.



In Honduras' Trujillo prison, Elder Cualez (in yellow) follows up with a fellow inmate who receives treatment for tuberculosis. Elder volunteers to raise TB awareness among inmates, to help identify potential cases and to make sure that patients adhere to treatment.

Human Rights

Human rights-related barriers remain major obstacles to the uptake of prevention, treatment and care for HIV, TB and malaria. Specific programs aimed at removing such barriers are critical enablers of health services, and therefore essential to increasing the effectiveness of Global Fund grants.

The Global Fund Strategy 2017-2022 includes an even stronger objective than the previous strategy to reduce human rights-related barriers to health services. This is accompanied by three key performance indicators to measure expansion of programming, with ambitious targets, such as achieving a more than four-fold increase in investment to reduce human rights-related barriers to HIV services. The new sustainability, transition and co-financing policy also reflects the increased commitment, requiring all countries, regardless of income level, to include these programs in their proposals.

The Global Fund partnership supports countries to remove human rights barriers to health, and to protect and promote human rights in all Global Fund-supported programs.

While efforts to substantially reduce human rights-related barriers will be undertaken in all countries, and for the three diseases, 20 countries were selected through a consultative process to receive intensive support over the next six years to increase their investments. These countries can access additional resources from a US\$45 million matching fund as an incentive to prioritize such programs – but only if they also devote resources from within their allocation to these programs.

Many of these countries will build on existing initiatives. A Global Fund TB/HIV grant in Botswana, for example, provides human rights training for police and judges to support them to apply the law in ways that support access to health services. Grants in Indonesia and other countries support efforts to reduce stigma and discrimination in health care facilities, increasing uptake of and retention in health services.

For HIV, in 2016 the Global Fund aligned with UNAIDS to issue a new technical brief on the seven key programs we will fund to reduce human rights-related barriers to services: stigma and discrimination reduction; training for health care providers on human rights and medical ethics; sensitization of lawmakers and law enforcement agents; reducing discrimination against women in the context of HIV; legal literacy; HIV-related legal services; and monitoring and reforming laws, regulations and policies relating to HIV.

For the first time, working groups also clearly defined programs to reduce human rights- and gender-related barriers to TB and malaria services, issuing separate technical briefs. For TB, in addition to the programs promoted for HIV, which also benefit those living with TB, there is a need to ensure confidentiality and privacy, mobilize and empower patient and community groups, address policies regarding involuntary isolation or detention for failure to adhere to TB treatment, and make efforts to remove barriers to TB services in prisons. For malaria, human rights and gender assessments of malaria-related risks and vulnerabilities should be undertaken; meaningful participation of affected populations should be ensured; and access to malaria services for refugees and others affected by emergencies improved.

In the 20 countries selected for intensive support, in-depth baseline studies are being undertaken to document existing barriers to services and how they could be overcome. These assessments will guide evidence-based programming to reduce human rights-related barriers to services over the next five years.



60%
OF GLOBAL FUND
SPENDING

**BENEFITS WOMEN
AND GIRLS**

Gender Equality

The Global Fund makes strategic investments in programs that break down gender-related risks and barriers to quality, comprehensive health services and address the gender inequalities that are a major driver of disease.

Well-designed programs can, and do, mitigate gender-related risks and barriers to services. Data collection and analysis are necessary to identify differences in health status according to gender and age, and the socio-economic influences over access to health services based on gender identity. The Global Fund's initiative to improve national data systems, including sex and age disaggregated data collection and analysis, now covers more than 50 countries.

Adolescent girls and young women disproportionately suffer the burden of the HIV epidemic and TB co-infection in many contexts across Southern and East Africa. In the hardest-hit countries, girls make up 80 percent of new HIV infections among

The president of Malawi has demonstrated significant political leadership, convening an inter-ministerial task force to develop a national plan for adolescent girls and young women.

Defeating the epidemics will require more gender-nuanced approaches that include reaching men and boys with prevention and treatment services. Further, gender equality will not happen without men and boys as part of the solution.

In the Mekong region, the emergence of drug-resistant malaria has added new urgency to efforts to eliminate the disease. Mobile and migrant populations – particularly men who work in construction, forestry, rubber production and the military, for example – face higher risk of exposure and limited access to health facilities. The Global Fund supports more than 20,000 mobile and village-based malaria volunteers to reach these groups with prevention, testing and treatment.

The Global Fund is also working with the Stop TB Partnership to conduct gender assessments in up to 10 countries by the end of 2018 to inform the development of national TB plans.

Global Fund-supported programs address gender norms that drive violence, keep girls out of school, or prevent adolescent boys and girls from accessing health services.

adolescents. In South Africa, which has the largest HIV epidemic in the world today, adolescent girls are eight times more likely to be living with HIV than boys of the same age.

The Global Fund and partners are expanding innovative programs to meet this population's unique needs. Out of a total Global Fund investment of nearly US\$312 million for HIV in South Africa for the current implementation period ending in 2019, the Country Coordinating Mechanism allocated 21 percent or US\$67 million to prevention programs for young women and girls. The Global Fund has committed US\$55 million in catalytic funding for 2017-2019 for 13 of the most affected countries in Southern and East Africa. With these additional funds, Global Fund investments will likely exceed US\$150 million in these 13 countries to support integrated prevention, treatment and care programs for adolescent girls and young women.

In Malawi, for example, the Global Fund's investment will complement that of partners such as PEPFAR to deliver a suite of integrated services for adolescent girls. These include in-school activities like health days and referral services, out-of-school activities such as girls clubs and mentoring, and community interventions such as mobilizing men and boys as champions.

Impact Story

Keeping Girls in School

Medical interventions alone won't stop the HIV epidemic. There is strong evidence that keeping adolescent girls and young women in school not only reduces their vulnerability to HIV infection but can yield healthy, educated and financially independent women who make well-informed choices about their lives.

In South Africa, our partners are tackling the social factors that put adolescent girls and young women, in particular, at high risk for HIV infection. The Keeping Girls in School program identifies and supports female students who are at risk of dropping out of school prematurely due to interlinking factors such as pregnancy, poor academic performance, significant responsibilities at home, and other health and social challenges.

Girls age 14-18 participate in peer education sessions, and receive sexual and reproductive health and rights education. Girls who are repeating grades or struggling academically are offered weekly after-school tutoring to improve their academic results. Career "jamborees" offer a window to potential employment opportunities, and home visits are made when girls are absent from school.

More than 50,000 girls have been reached since activities started in May 2014, and participating schools have seen declines in pregnancy and drop-outs. The grant will continue through March 2019, aiming to reach 100 of the most vulnerable girls in 50 secondary schools. In addition, each participating district will be serviced by two mobile health units to provide HIV testing, pregnancy tests, sexually transmitted infection diagnosis and treatment, and contraception.







Key Populations

“Key populations” is a general term for specific groups of people who experience increased vulnerability to HIV, tuberculosis or malaria and have significantly reduced access to services, largely due to criminalization and human rights violations. The “key” in key populations reflects that reaching these groups with prevention, testing, treatment and care, and supporting them to overcome barriers to services, is essential to ending the epidemics.

The Global Fund puts a strong emphasis on expanding comprehensive, high-quality health and other support services for key populations. While every funding request must prioritize investment for key populations, we take a differentiated approach.

The Global Fund’s investment is adjusted to account for a country’s disease burden among key populations and income classification. In upper-middle-income countries, the Global Fund requests that countries focus 100 percent of their allocation on addressing the needs of key populations.

To encourage countries to develop effective responses to the three diseases, the Global Fund requires the engagement of key populations throughout the planning and implementation cycle. Not only does the Global Fund mandate inclusion of key populations in Country Coordinating Mechanisms (the committee of local community, government and health experts that develop and guide Global Fund-supported programs in a country), it also invests in networks and organizations led by key populations to ascertain that their communities are meaningfully involved. The Global Fund believes that when adequately resourced and equipped to do so, affected communities play a critical role in program design and delivery, monitoring the effectiveness of programs and maximizing the impact of investment.

The Global Fund’s new policy on sustainability, transition and co-financing incentivizes increased domestic funding for key populations as countries move closer to transitioning from the Global Fund’s support. The Global Fund tracks progress in this area through a dedicated key performance indicator measuring the level of investment in key populations and human rights programming in middle-income countries, with a specific focus on increased domestic investment in upper-middle-income countries.

The Global Fund works with technical and civil society partners to develop and publish guidance material specific to the diseases and population groups, including the HIV Key Populations Implementation Tools for program design. The Global Fund worked with the Stop TB Partnership to develop the Key Populations Action Framework for Tuberculosis in order to support countries to understand specific vulnerabilities, risks and barriers to services, and develop differentiated approaches for service delivery.

The Global Fund set and met an important goal for improving strategic information about HIV key populations. As of December 2016, 55 countries have nationally adequate size estimates for HIV key populations. The work in this area not only galvanized partnerships between the Global Fund, other donors, technical, government, civil society and community stakeholders, it also informed program design by ensuring services are tailored to the needs of key populations based on epidemiological profiles, specific vulnerabilities and locations.

Key Populations:

HIV Gay, bisexual and other men who have sex with men, people who inject drugs, sex workers, and transgender people are socially marginalized, often criminalized and face a range of human rights abuses that increase their vulnerability to HIV. Those living with HIV are also considered as a key population.

Tuberculosis Prisoners, people living with TB/HIV co-infection, migrants, refugees and indigenous populations are highly vulnerable to TB, and experience significant marginalization, decreased access to quality services, and human rights violations. All people who have, or have survived, TB are considered as a key population for TB.

Malaria Refugees, migrants, internally displaced people and indigenous populations in malaria-endemic areas are often at greater risk of transmission, usually have decreased access to care and services, and are also often marginalized.

Vulnerable populations Those who fall outside of the above definition of key populations, but experience a greater vulnerability to and impact of HIV, TB and malaria, such as adolescent girls and young women in East and Southern Africa.

Risk Management

Countries where the Global Fund invests are challenged by epidemics and inadequate health infrastructure. Many of these countries are also affected by conflict, natural disasters, or instability. These countries are not only disproportionately affected by diseases, they are also considered high-risk environments. The Global Fund does not shy away from the challenge of investing in these portfolios. Instead, we approach risk strategically and proactively, integrating risk management within the fabric of our key business processes and partnerships.

Strong risk management is fundamental for effective implementation of the Global Fund Strategy 2017-2022, which aims to accelerate progress against HIV, TB and malaria and improve global health. The Global Fund has instituted robust risk management tools to respond proactively to key risks at all levels of our operations. Specifically, we have developed programs tailored to support our work in high-risk countries and challenging operating environments.

In order to make our approach to risk systematic, we are working with partners to address the long-term structural drivers of risk. We are also taking short-term measures to safeguard effective delivery of services. Additionally, we pay keen attention to organizational learning as we strive for continuous improvement of our risk management practices, stressing evidence-based decisions that are proportionate and appropriate to local contexts.

Adopting this approach to risk alleviation increases the Global Fund's ability to achieve our programmatic objectives, recognizing that we operate in high-risk environments where the need is often the greatest.

In all cases, the Global Fund has zero tolerance for corruption or fraud, and conducts robust audits and investigations. When an audit or investigation by the independent Office of the Inspector General or Secretariat's risk management process identifies mis-spent funds, the Global Fund pursues recovery, so that no donor money is lost. Working closely with the Office of the Inspector General, we have made significant progress in embedding risk management in all we do.

The Global Fund was rated highly for exceptional performance, transparency and impact in four leading independent reviews in 2016 and 2017.

Our partnership invests in 24 countries rated as very high-risk and 20 categorized as high-risk countries. To secure investments in such countries, we have adopted strict measures to reduce risk where appropriate. Such measures include installation of fiscal and procurement agents, and implementation of the Additional Safeguard Policy. We have strengthened fiduciary controls and initiated several actions to help us monitor and accelerate impact.

The Global Fund recognizes that a preventive and focused risk management approach is essential to achieving our mission. We appreciate that good risk management entails a focus on portfolios with high disease burden and with the highest risk.

We have made measurable progress toward implementing our Enterprise Risk Management Framework, which includes:

- Focusing on prioritized countries through risk reviews
- Focusing on key organizational risks
- Enhancing assurance, planning and execution of our risk management in high-impact and risk portfolios
- Formalizing financial risk management guidelines to outline tools and roles of the fiscal agents, how to appoint them, how to manage and measure their performance, and how to remove them.

Sustainability and Transition

To end HIV, tuberculosis and malaria as epidemics, countries will ultimately need to fully fund and implement their own health programs and strive for sustainable access to treatment, prevention and other services.

As more middle-income countries move away from external funding toward domestically financed health systems, the Global Fund is supporting efforts by national governments to assume greater responsibility for financing the disease responses. When countries grow economically, they are able to increase domestic health spending to meet the needs of their citizens and strengthen their health systems as they move toward achieving universal health coverage.

However, economic growth does not guarantee equal access to health and health care, nor does it ensure equity in responses, particularly for key and vulnerable populations who are disproportionately affected by the three diseases. To sustain the gains, avoid abrupt drops in funding and minimize programmatic gaps, the Global Fund works closely with countries and partners to support well-planned and successful transitions.

Under our policy on sustainability, transition, and co-financing, we work to embed sustainability considerations into program design, strengthen domestic investment and co-financing of core interventions (particularly those that focus on key populations and structural barriers to health access), and accelerate efforts to prepare for transition. Recognizing that a successful transition takes time, our policy encourages countries to plan as early as possible, even multiple allocation cycles before transition.

The Global Fund recognizes the need to support countries through the process with flexible approaches that take into account the varied financial and epidemiological contexts. This support includes investing in health financing strategies, particularly for countries with low spending in health, and helping countries assess their readiness to transition from Global Fund financing. Morocco, for example, recently completed a transition readiness assessment with the support of the Global Fund and UNAIDS. The country is developing a multi-year plan to prepare for transition of HIV and TB control, including establishing a high-level finance committee to explore sources of additional funding, and plans to increase social protection for people living with HIV under health insurance.

To strengthen planning and better manage transitions, the Global Fund provides transition funding to disease programs that have become ineligible, and has developed a specific application process for this funding. A total of 18 disease programs from 14 countries will use the transition funding grant application in the 2017-2019 allocation period. The Dominican Republic has gradually taken up the costs of antiretroviral therapy previously financed by the Global Fund. Working with partners and communities, and as part of a sustainability strategy, the Ministry of Health gradually absorbed the cost of ARVs and is working on the inclusion of ARVs in the social health insurance package.

To continue expanding prevention, treatment and care for people affected by the diseases in the coming years, the Global Fund is identifying opportunities to leverage additional financial resources by exploring the potential for innovative finance with countries and development partners. An example of an innovative program to strengthen health financing is the India Health Fund, which was launched to help leverage and pool private sector resources and expertise to support health programs.

Because successful transitions will require more than

just financial investments, the Global Fund is working closely with partners to support advocacy efforts to build the political will needed to complement Global Fund grants.

The Global Fund's co-financing requirement has spurred countries to commit an additional US\$6 billion to their health programs for 2015-2017, representing a 41 percent increase in domestic financing over 2012-2014.

Challenging Operating Environments

We need to reach the most vulnerable people with prevention and treatment services, wherever they are, if we hope to end HIV, TB and malaria as epidemics and address emerging threats to global health security. The unprecedented number of people worldwide who have been displaced by conflict, poverty, persecution or disease outbreaks is representative of the difficulties in providing health care to vulnerable populations in challenging operating environments.

Fragile health systems are overloaded or even destroyed when a country or region experiences a disease outbreak, a natural disaster, an armed conflict or weak governance, and often this translates into poor health and inequitable access to care. Challenging operating environments are central to the Global Fund mission. They account for more than one-quarter of the global disease burden for HIV, TB and malaria and more than one-quarter of Global Fund investments.

The Global Fund is increasing our focus on health needs in challenging operating environments under the principles of flexibility, innovative approaches and strong partnerships with emergency responders and community groups on the ground. By working with partners who have deep expertise in emergencies, we are able to provide a speedier response in humanitarian settings, while at the same time strengthening in-country governance and service delivery and improving technical assistance.

In Rwanda, for example, we are working with UNHCR, the UN Refugee Agency, to address health needs for Burundian refugees. Under a US\$2.09 million emergency fund grant from the Global Fund, UNHCR is providing refugees services that include access to HIV testing and counseling, treatment to prevent mothers from passing HIV to their babies, antiretroviral therapy for people living with HIV, indoor residual spraying of homes and schools to ward off mosquitoes, and TB screening and treatment services.

Similarly, in East Africa, the Global Fund and the Intergovernmental Authority on Development regional bloc are supporting refugee populations in 20 refugee camps. In the Middle East, the International Organization for Migration is implementing a regional grant to provide TB, HIV and malaria services in Syria, Yemen, Jordan and Lebanon. In the Central African Republic and in Chad, we are working with Médecins Sans Frontières and the World Food Programme to support the distribution of mosquito nets in hard-to-reach regions.

To provide timely, effective and predictable emergency coordination, the Global Fund works with the WHO-led Global Health Cluster, a platform for organizations to work in partnership to ensure collective action.

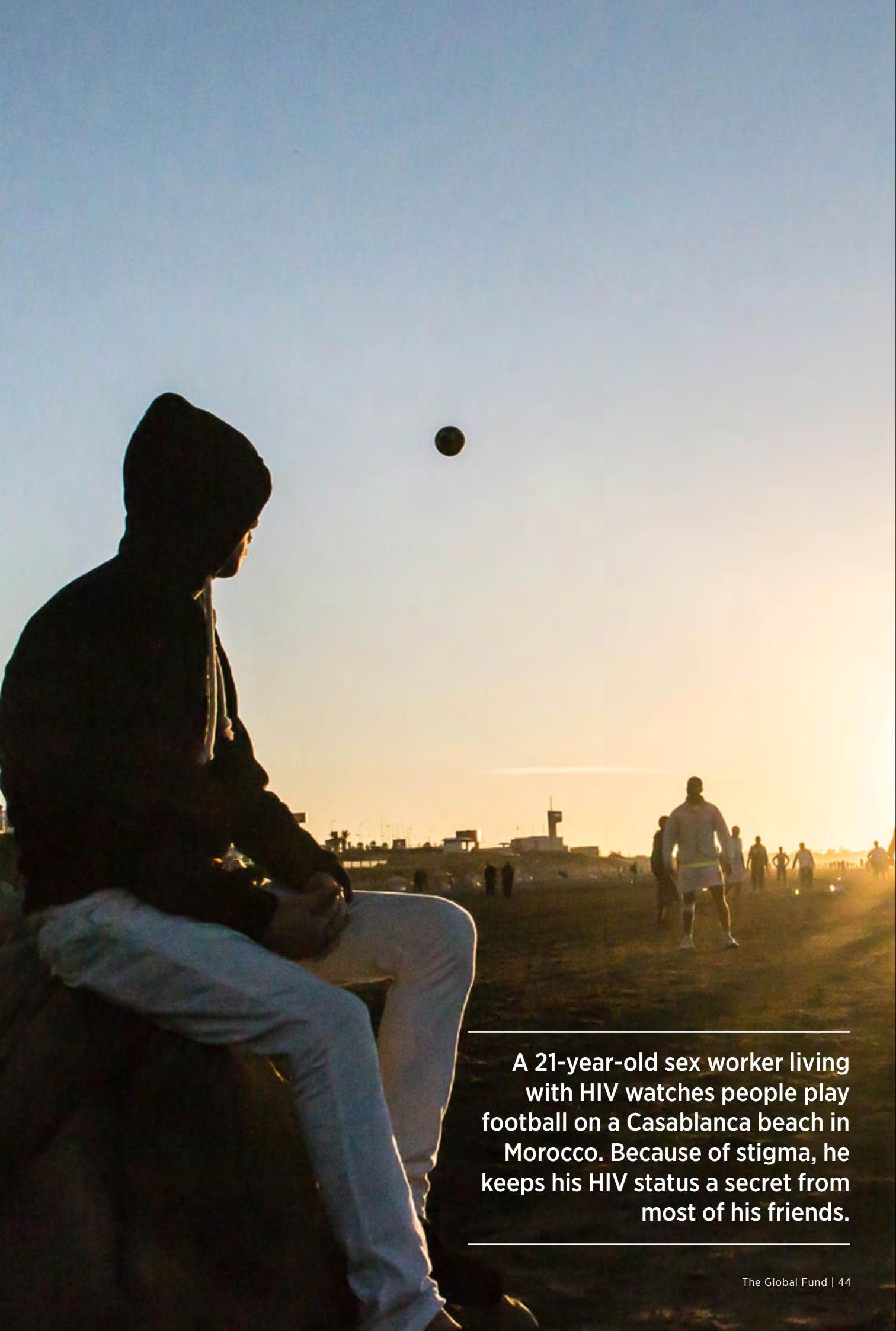
Reaching key populations and saving lives in emergency situations requires flexible strategies. The Global Fund is supporting differentiated approaches depending on each country's or region's situation to improve delivery of lifesaving programs.

In Somalia, for instance, the Global Fund is making budgetary adjustments and is being flexible in the supply of health products to enable UNICEF and World Vision to implement HIV, TB and malaria programs in a volatile environment that often calls for quick changes to programs.

While saving lives is a priority in these situations, the Global Fund maintains our strict risk management and mitigation measures. Performance-based funding remains a core principle.



In Yemen, more than 14 million people lack access to health care as a result of conflict and poverty. The Global Fund's Middle East Response grant supports TB, HIV and malaria services for refugees, internally displaced people and key populations in Syria, Yemen, Jordan and Lebanon.



A 21-year-old sex worker living with HIV watches people play football on a Casablanca beach in Morocco. Because of stigma, he keeps his HIV status a secret from most of his friends.



Impact Story In Morocco, a Voice for Key Populations

Programs supported by the Global Fund have an impact beyond fighting the three diseases and building resilient and sustainable systems for health. In Morocco, Global Fund investments have given visibility and a strong voice to communities that are stigmatized and criminalized. Morocco's Country Coordinating Mechanism, the body that designs and oversees implementation of grants in the country, includes sex workers, men who have sex with men and people who inject drugs. These communities are disproportionately affected by HIV and TB, and often face stigma and discrimination in Morocco's society. But when health strategies are discussed at the Country Coordinating Mechanism, representatives of key populations sit at the same table as members from the Ministry of Health, government officials, civil society and international partners.

Global Fund programs have also strengthened HIV prevention, education, counseling and testing services in Morocco, helping the country become a pioneer in the North Africa and Middle East region for programs designed and implemented by people living with the diseases. Government and civil society organizations work hand in hand in the response to HIV.

The country has been praised for protecting the health and human rights of key populations, and has pursued legal changes aimed at achieving universal access to quality care, including a 2011 constitutional reform that enshrined the right to health.

Finances

Value for Money

The Global Fund is consistently rated highly in independent reviews for exceptional performance, transparency and impact. The 2016 UK Government Multilateral Aid Review awarded the Global Fund the highest possible rating for overall organizational strength, with high scores on critical role; comparative advantage; partnership; results; controlling costs; efficiency; combatting fraud; and transparency and accountability. The Multilateral Organisation Performance Assessment Network (MOPAN), a network of like-minded donor countries that monitors the performance of multilateral development organizations, gave the Global Fund top ratings in organizational architecture, operating model, and financial transparency and accountability. The MOPAN assessment, released in early 2017 and led by the United States, said the Global Fund is delivering substantive results from its programs and interventions and is well positioned to increase the impact from its investments.

The 2017 Multilateral Performance Assessment summary, published in the Performance of Australian Aid Report by the Department of Foreign Affairs and Trade (DFAT), also gave the Global Fund a top rating for its effective approach to investing donor money, and confirmed the Global Fund as a strong, responsive development partner. The 2016 Aid Transparency Index recognized the Global Fund's rigorous systems and commitment to transparency, rating the Global Fund in the top five of all international aid organizations.

Since the Global Fund began investing heavily in procurement four years ago, an expanded pooled procurement mechanism now covers 60 percent of procurement supported by the Global Fund and has saved more than **US\$650 million**. That is money that countries now use to save more lives and improve systems. On-time and in-full deliveries increased to **80 percent** in 2016 for the pooled procurement mechanism and is at levels achieved in the private sector.

The “last mile” of delivering health products to where they are needed can be challenging. Therefore, in 2016, the Global Fund launched a new supply chain initiative, including the development of a comprehensive supply chain strategy, conducting in-depth diagnostics in 12 high-risk countries by the end of 2017, and working with government and private sector partners to implement supply chain transformation projects.

Project Last Mile is a public-private partnership designed to improve the availability of critical medicines by building the capacity of ministries of health. The partnership leverages the supply chain expertise of The Coca-Cola Company and its bottlers across Africa, and includes USAID, the Global Fund, the Bill & Melinda Gates Foundation, local implementing partners and ministries of health, with a goal of supporting up to 10 countries over the next five years. The Global Fund is also establishing special partnerships in many countries to address structural problems, reduce cost and improve customer service

by improving the efficiency and performance of the public sector health product supply chain.

The Global Fund works closely with partners such as Unitaid to improve access and affordability of medicines critical to the fight against AIDS, TB and malaria. Through the pooled procurement mechanism, by working with partners and negotiating directly with manufacturers, the price of long-lasting insecticidal nets to prevent malaria has decreased by 38 percent since 2013, and the price of combination ARV therapy for HIV has been reduced by 35 percent since 2014.

To increase country ownership and long-term sustainability, the Global Fund conceived, developed and delivered wambo.org, an online marketplace for medicines and health commodities. It gives countries the tools to access pooled procurement to reduce the price of quality-assured products in an effective and sustainable way. In its first year, principal recipients of Global Fund grants from 19 countries made US\$307 million worth of orders for medical supplies including mosquito nets, malaria treatment, ARVs, and rapid diagnostic tests for malaria and HIV. It is the longer-term vision to include all health commodities and to open the marketplace to other organizations outside the Global Fund, thereby establishing wambo.org as an independent entity and as a global public good.

Disbursement

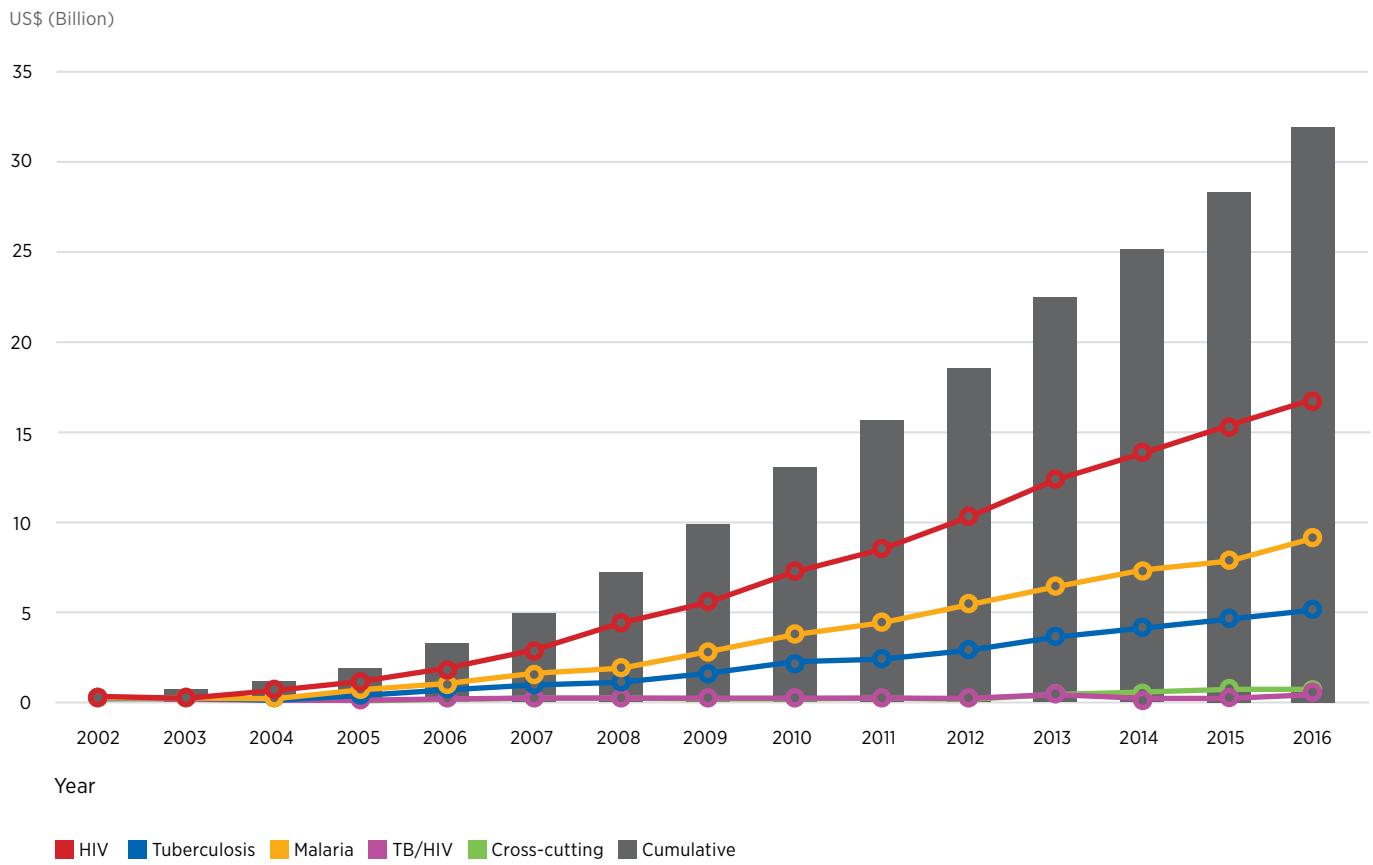
The Global Fund uses an allocation-based funding model to direct resources where they are needed most. The model determines an allocation for eligible countries at the beginning of each three-year cycle. The allocation-based system provides implementing partners with predictable funding and flexible timing. As of end 2016, the Global Fund had disbursed US\$32.6 billion toward the fight to end AIDS, TB and malaria as epidemics. The regions High-impact Africa 1 and High-impact Africa 2 accounted for approximately half of Global Fund disbursements in 2016. These regions, along with other countries in sub-Saharan Africa, are where HIV and malaria are most geographically concentrated.

The most effective way to fight AIDS, TB and malaria is for local partners and experts to use grant money to deliver programs. Government health ministries, community organizations and multilateral organizations such as UNDP implement grants. The Global Fund does not implement programs directly and does not have a country presence.

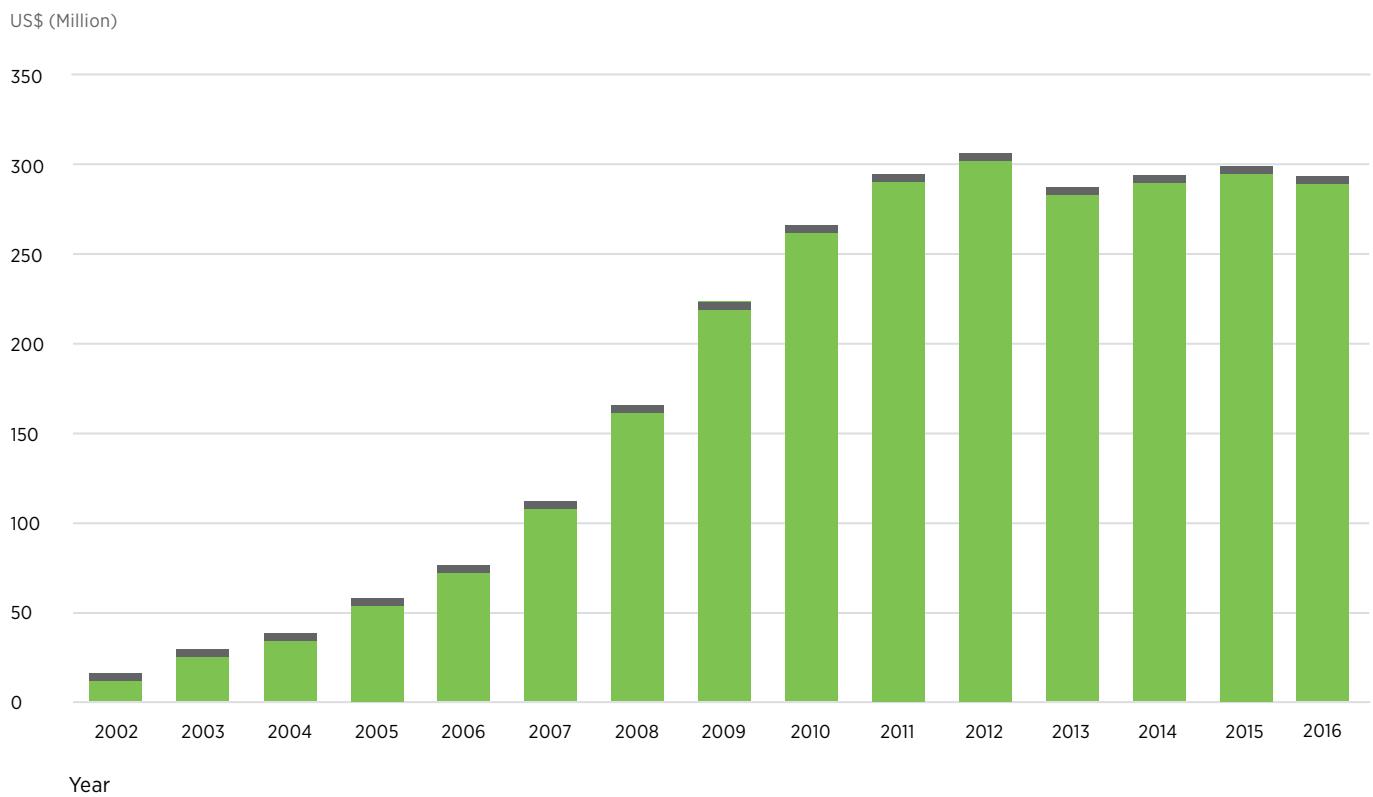
Operating Expenditure

Operating expenditures in 2016 were US\$281 million, which represents slightly more than 2 percent of grants under management. The Global Fund has made strong progress in containing operating expenses over the past four years

Global Fund Disbursements By Year, Cumulative (2002-2016)



Operating Expenses by Year (2002-2016)



through disciplined cost control and adherence to the budgeting framework.

Raising Funds

The Global Fund raises funds on a three-year cycle, which brings predictability to the Global Fund funding mechanism, enabling us to inform eligible countries of the funding allocation available for a three-year period. At the September 2016 launch of the Global Fund's Fifth Replenishment in Montreal, Canada, donors pledged over US\$12.9 billion for the next three years, demonstrating extraordinary global commitment to ending the epidemics of AIDS, tuberculosis and malaria. Recognizing that need far outstrips available resources, the Global Fund is implementing an ambitious fundraising drive to raise an additional US\$500 million before the next fundraising conference in 2019.

Government contributions represent 95 percent of cumulative investment in the Global Fund, with the greatest contributors being the United States, France, UK, Germany and Japan. Global health is a shared responsibility, and the Global Fund is diversifying our financing to increase investments and build sustainability. As nations move along the development continuum, an increasing number have shifted from being implementers to also acting as investors; these include countries such as Benin, Côte d'Ivoire, India, Kenya, Namibia, Nigeria, Senegal, South Africa, Thailand, Togo, Uganda, Zambia and Zimbabwe.

Public-Private Partnership

The private sector plays a pivotal role in the Global Fund partnership, contributing funding, technical expertise, training, governance and advocacy that enhances the impact of Global Fund-supported programs. As of June 2017, private sector partners have contributed over US\$2.2 billion to expand the reach of Global Fund investments and save lives. This includes substantial commitments from the Bill & Melinda Gates Foundation and nearly US\$500 million generated by PRODUCT(RED). At the most recent Replenishment Conference, pledges from private donors and innovative financing initiatives reached US\$250 million for the coming three years, more than twice as much as in the previous period.

Some of the additional private sector partners, foundations and faith-based organizations supporting the Global Fund include Chevron; CIFF (Children's Investment Fund Foundation); CIAN (French Council of Investors in Africa); Catholic Relief Services (CRS); The Coca-Cola Company; Comic Relief; Duet Group; Dutch Postcode Lottery; Ecobank; Fullerton Health Foundation; Goodbye Malaria; Munich Re; Standard Bank; Tahir Foundation; Takeda Pharmaceutical Company Limited; United Methodist Church; United Nations Foundation; and Vale.

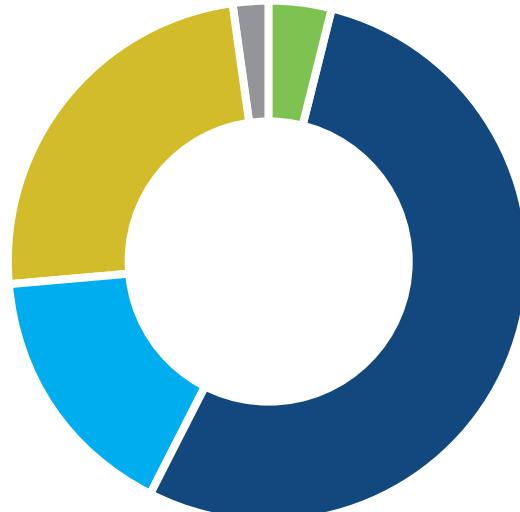
The Global Fund also works closely with partners to develop alternative funding mechanisms that support sustainable domestic financing for health. Some of our initiatives include impact investing, country-led health trust funds, social impact and health bonds, concessional financing, and Debt2Health (a debt swap to raise funds for health).

Breakdown of Portfolio by Global Fund Region

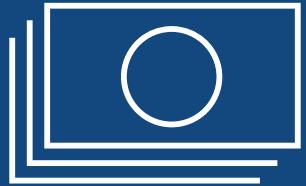


- Sub-Saharan Africa (65%)
- Asia and the Pacific (19%)
- North Africa and the Middle East (8%)
- Eastern Europe and Central Asia (4%)
- Latin America and the Caribbean (4%)

Breakdown of Portfolio by Type of Implementer (Active Grants)



- Faith-based organizations (4%)
- Government (53%)
- Multilateral organizations (16%)
- Nongovernmental organizations / community-based organizations / academic (24%)
- Private sector (2%)



US\$650 MILLION

IN SAVINGS IN FOUR YEARS
THROUGH MORE
EFFECTIVE PROCUREMENT

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