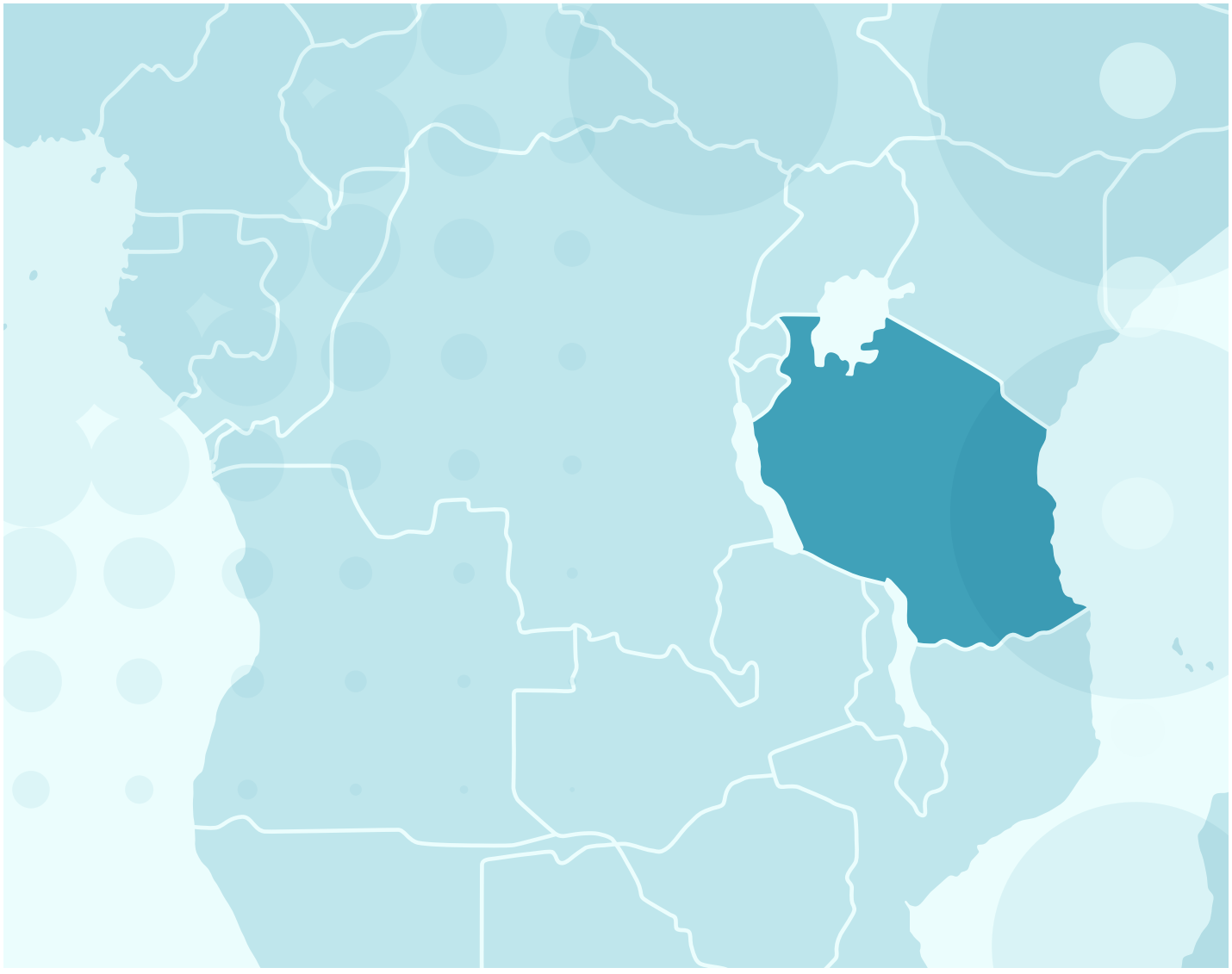
THE GLOBAL FUND
Office of the Inspector General

Rapid Assurance Review

Implementation of the Grant Revision process of GC7 grants for Tanzania

GF-OIG-26-007
12 June 2026
Geneva, Switzerland





What is the Office of the Inspector General?

The Office of the Inspector General (OIG) safeguards the assets, investments, reputation, and sustainability of the Global Fund by ensuring that it takes the right action to end the epidemics of AIDS, tuberculosis, and malaria. Through audits, investigations, and advisory work, it promotes good practice, enhances risk management, and reports fully and transparently on abuse.

The OIG is an independent yet integral part of the Global Fund. It is accountable to the Board through its Audit and Finance Committee and serves the interests of all Global Fund stakeholders.

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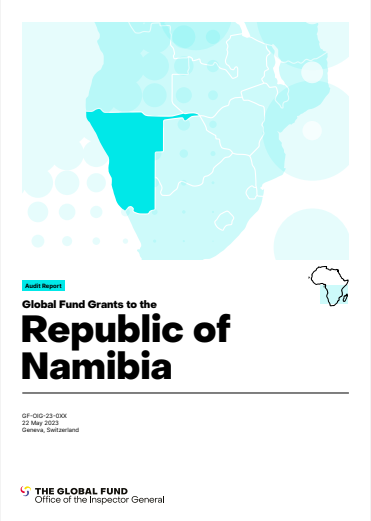






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What is an OIG Rapid Assurance Review?

An OIG rapid assurance review is a focused review that provides limited, timely, risk-based assurance on a subject matter or process while it is being designed and implemented. This type of review is particularly well-suited for 1) situations where major decisions must be made quickly, often with incomplete information, 2) where critical processes do not yet exist but are urgently needed, or 3) during organizational crises and emergency scenarios.

The primary purpose is to provide assurance in a fast-moving setting, facilitate early identification and resolution of governance, risk, and control issues, and support the development of an appropriate, fit-for-purpose process. It seeks to assure the Board that processes have been designed and materially implemented in an appropriate way, recognizing the evolving operating context.

As the context includes extraordinary circumstances and limited reliable or available data, the level of assurance the OIG provides through these reviews is more limited than standard OIG audits.

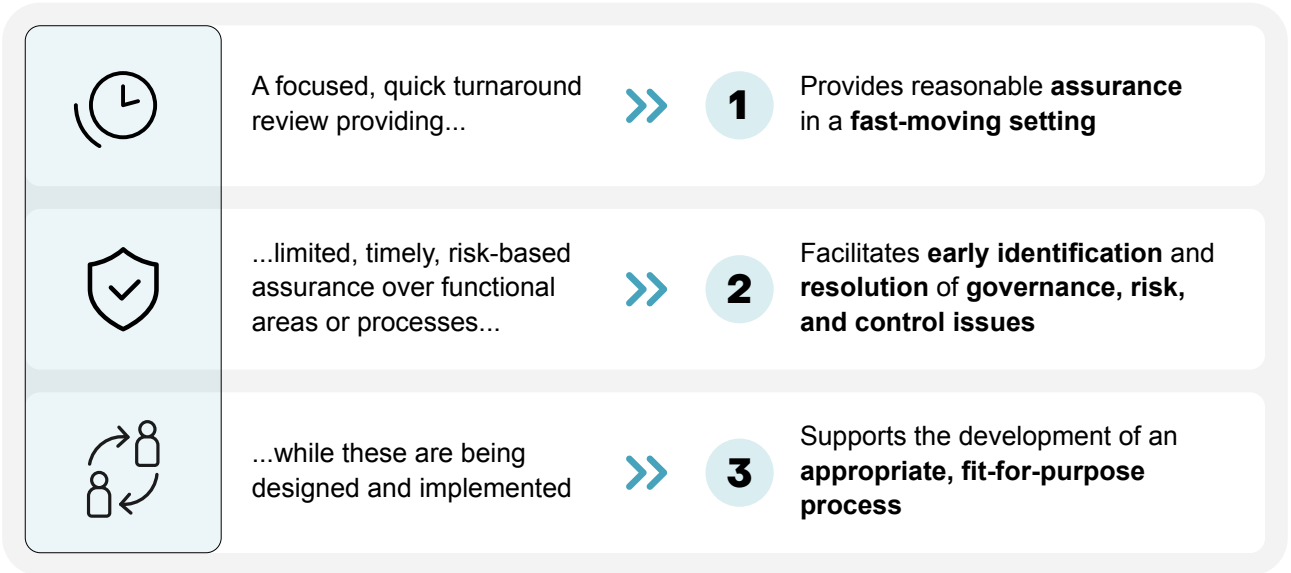
The OIG takes a variety of measures to mitigate two inherent risks with these types of reviews:

(i) Quality risks, due to the need to provide assurance within a short timeframe.

(ii) Independence risk, as interim, iterative feedback is provided to the management as a process is developed.

The OIG sought advice from industry experts to ensure the approach is aligned with internal audit standards. Quality checks have been built in to provide assurance regarding the quality of supervision and audit evidence.

The Global Fund Secretariat owns the process. The OIG provides insights to management to support decision-making, but does not make executive decisions.



1. Executive Summary

Background	**The funding landscape for global health programs has changed rapidly since the beginning of 2025. In response to uncertainty regarding external funding, exceptional mid-cycle adaptations and phased measures were needed. These measures included the reduction of Grant Cycle 7 (GC7) country funding envelopes and program reprioritization using a streamlined process. This was a multi-phase process which involved country stakeholders and the Global Fund Secretariat reprioritizing and revising GC7 grants to adapt to revised country funding envelopes.**
Scope	The rapid assurance review assessed whether the GC7 Grant Revision process was implemented in line with Global Fund guidance. To support the review objective, the OIG assessed effects of changes in the health financing landscape on country programs implementation. To do this, the OIG relied on evaluations undertaken by national programs and other partners in the health sector, and reported on both confirmed and potential disruptions. Limited-reliance review procedures were applied to these evaluations. The OIG did not opine on the design of the GC7 mid-cycle Grant Revision process, as it had previously provided rapid advice during development. The OIG did not opine on the impact of the Grant Revision process or on the effectiveness of country or partner adaptations, given the limited time since implementation.

Review questions and observations	**Review Questions**	**Observations**
	Was the communication of revised allocations by the Global Fund Secretariat to the Country Coordinating Mechanism (CCM) and Principal Recipients (PRs) accurate?	GC7 Grants in Tanzania were **reduced by US$65 million** as a result of the reprioritization process. **The revised allocations communicated to the Tanzania National Coordinating Mechanism (TNCM) and Principal Recipients (PRs) were accurate. No discrepancies were identified** in the communication letter from the Global Fund Secretariat to the TNCM and PRs. **The communication was issued in a timely manner**, consistent with the timelines outlined in the *Guidance on GC7 Mid-cycle Reprioritization and Revision.*

Review questions and observations	Review Questions	Observations
	Was the grant revision approach (i.e., budget or programmatic scope revision) appropriately classified and approved in line with Global Fund policies and guidance?	**The grant revision approach for Tanzania's GC7 reprioritization was classified as a material budget revision for HIV, TB and malaria grants.** A material budget revision required the Country Team to assess and consider if budget reallocations did not result in unapproved programmatic scope changes. For the HIV grant, the budget revision was processed together with the integration of the Civil Society grant into the MoF grant following endorsement by the CCM. The OIG confirmed that the Tanzania Country Team followed the required processes for the reprioritization and integration of the grants, sought consultations as appropriate, and correctly classified the grant revision as a material budget revision for the purpose of the GC7 mid-cycle reprioritization process. The Tanzania Grant Revision process complied with the requirements of the Revised Grants OPN.[1] The selected revision approach meets the criteria for material budget revision and is appropriately aligned with the Guidance on GC7 Mid-cycle Reprioritization and Revision.
	Were the engagement and support provided by the Secretariat of the Global Fund to the CCM and community stakeholders throughout the reprioritization and Grant Revision process sufficient and effective?	**The Global Fund Secretariat provided sufficient and appropriate engagement and support to the TNCM and community stakeholders during the reprioritization and Grant Revision process.** The Secretariat provided clear and well-articulated guidance throughout the reprioritization process. The Secretariat also supported community engagement through Technical Assistance provided under the Community Engagement Strategic Initiative.

1 The Global Fund's Operational Policy Manual - *Accessed 19 January 2026*

Review questions and observations	Review Questions	Observations
	Were the Global Fund Secretariat processes adequate to ensure consistent, transparent, and timely review and approval of grant revisions?	The Secretariat process for the revisions was **structured and transparent**, following the deallocation decision. **Notification Letters confirming the reduced funding amounts were accurate and issued promptly.** The Country Team conducted a reprioritization review in line with the guidance and engaged with relevant stakeholders, both within the Secretariat and at the country level. Revisions were formally approved by the **Head of the High Impact Africa 2 Department**, reflecting consistency and timely execution of procedures.
	Was the information provided through the Implementation Letter to finalize the Grant Revision process accurate and appropriately signed off?	For TB and malaria, approved revised budgets were communicated to the PR via separate emails dated 02 October 2025. **The Secretariat issued an Implementation Letter to the PR for the HIV grant**, due to its merger with the TB/HIV grant. The revised grant amount and requirements were accurately captured, while an error in the Performance Framework was later corrected through a subsequent letter. The OIG found that this issue did not have any impact on the grant revision process.
OIG Rating	**No Material Issues Noted**	

2. Country Context, Health Financing Shifts and Programmatic Implications

2.1 Tanzania and the Three Diseases

Country context

68.6 million
Population (2024)

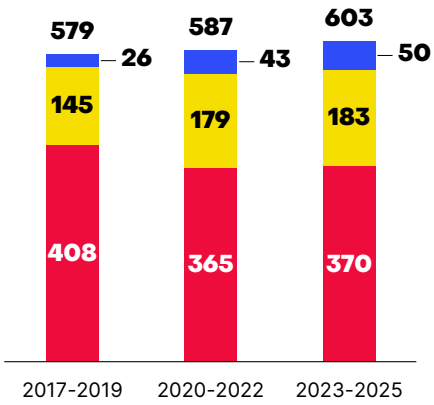
US$1,186
GDP per capita (2024)

1.0%
Domestic general Govt. health spending (% GDP) (2022)

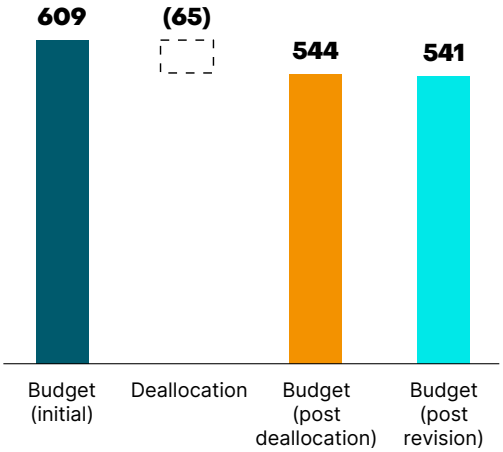
- ✓ High Impact (HI) portfolio
- Additional Safeguards Policy (ASP)
- Challenging Operating Environment (COE)

Global Fund allocation and grants

US$3.47 billion
Global Fund disbursements since 2003



US$603 million
Global Fund allocation (2023–2025)



Note: During the Grant Revision process, the TZA-H-MOF grant was merged with the TB/HIV grant. The US$3 million difference between the post deallocation amount and post revision budget relates to funds already disbursed to the non-government PR and reconciled at grant closure.

US$541 million
Post revision budget split (2024–2026)

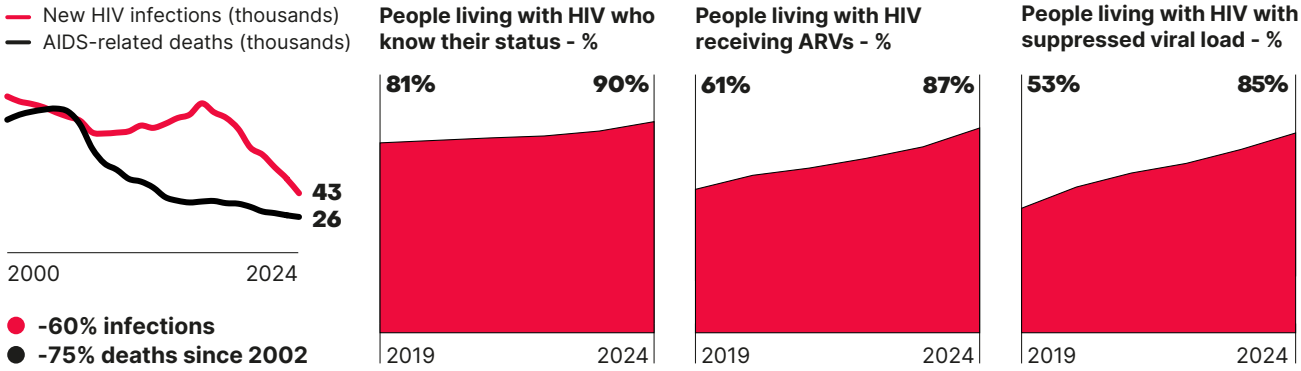
Component	Government	%
	US$320M	59%
	US$41M	8%
	US$180M	33%
Total	**US$541M**	**100%**

Sources: World Bank Open Data, Global Fund 2025 Results Report, Global Fund Data Explorer

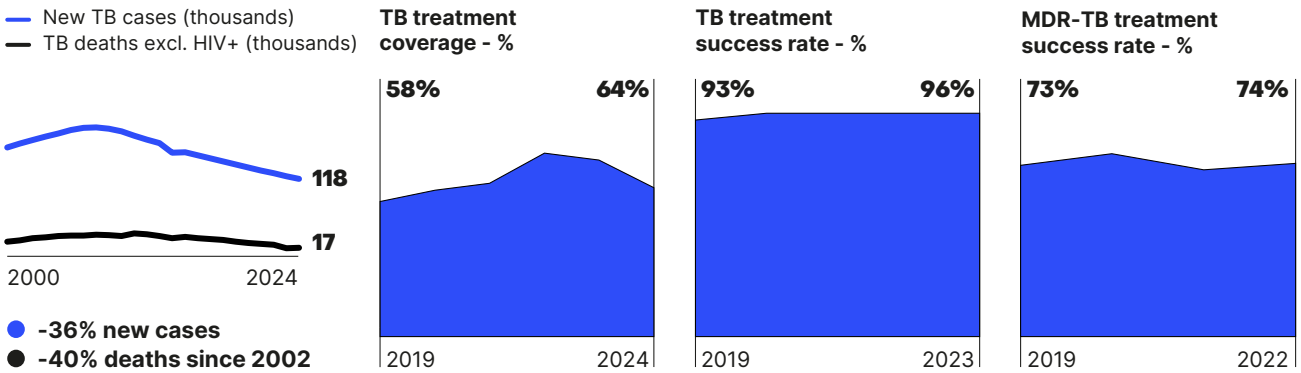
The Three Diseases

Over 1.7 million people are estimated to be living with HIV in Tanzania, the equivalent of 5.2% HIV burden among Global Fund supported countries (ranked 5th among Global Fund portfolios). Tanzania has 4.1% of the malaria case burden among Global Fund supported countries (ranked 4th among Global Fund portfolios) and 1.2% of the TB disease burden among Global Fund supported countries (ranked 15th among Global Fund portfolios).

HIV/AIDS evolution

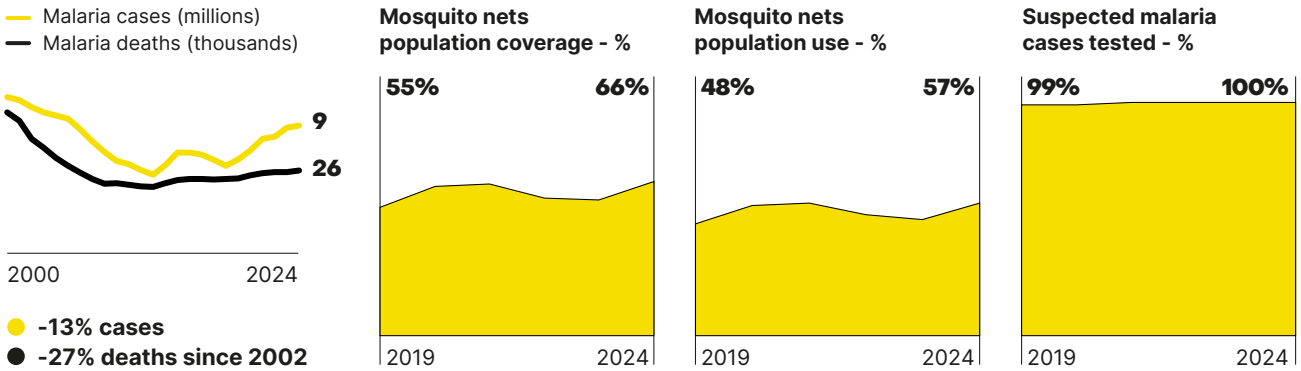


Tuberculosis evolution



Note: Under the WHO's cohort-based surveillance guidelines, TB treatment success indicators are by design lagging, as outcomes are reported only after all patients in a treatment cohort have completed therapy. Therefore, the WHO's reported treatment outcomes trail treatment initiation by one year for drug-sensitive TB and two years for MDR-TB.

Malaria evolution



Sources: World Bank Open Data, Global Fund 2025 Results Report, Global Fund Data Explorer, 2025 WHO reported data for TB and malaria

2.2 Effects of changes to the health financing landscape

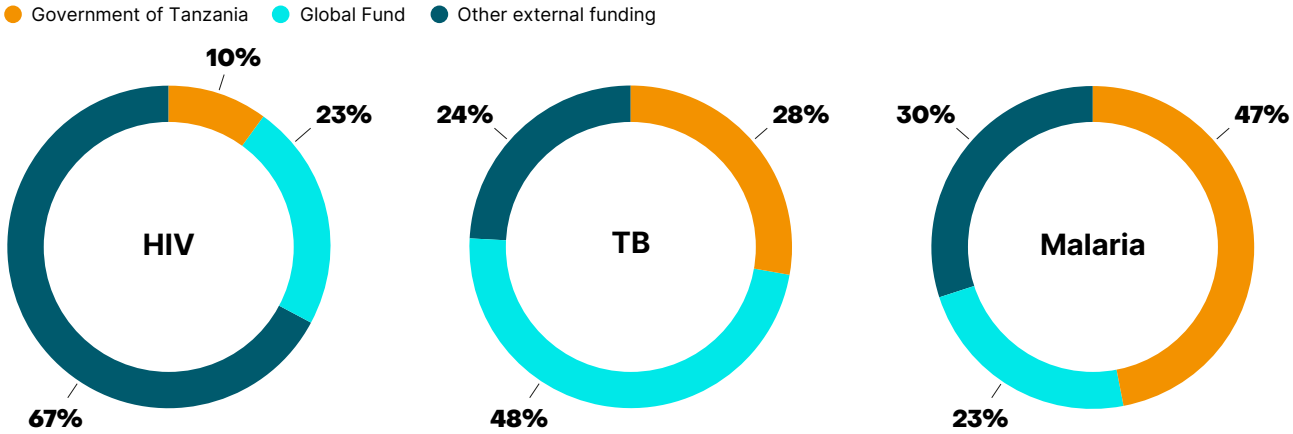
The following section relating to country-level disruption to HIV, TB and malaria programs relies on reported data and information from 3rd party sources including national disease programs and in-country partner reports. These were not independently validated by the OIG.

Overall health financing landscape

Tanzania's health sector relies on both domestic and external financing, with external funding accounting for 39%[2] of total health expenditure.

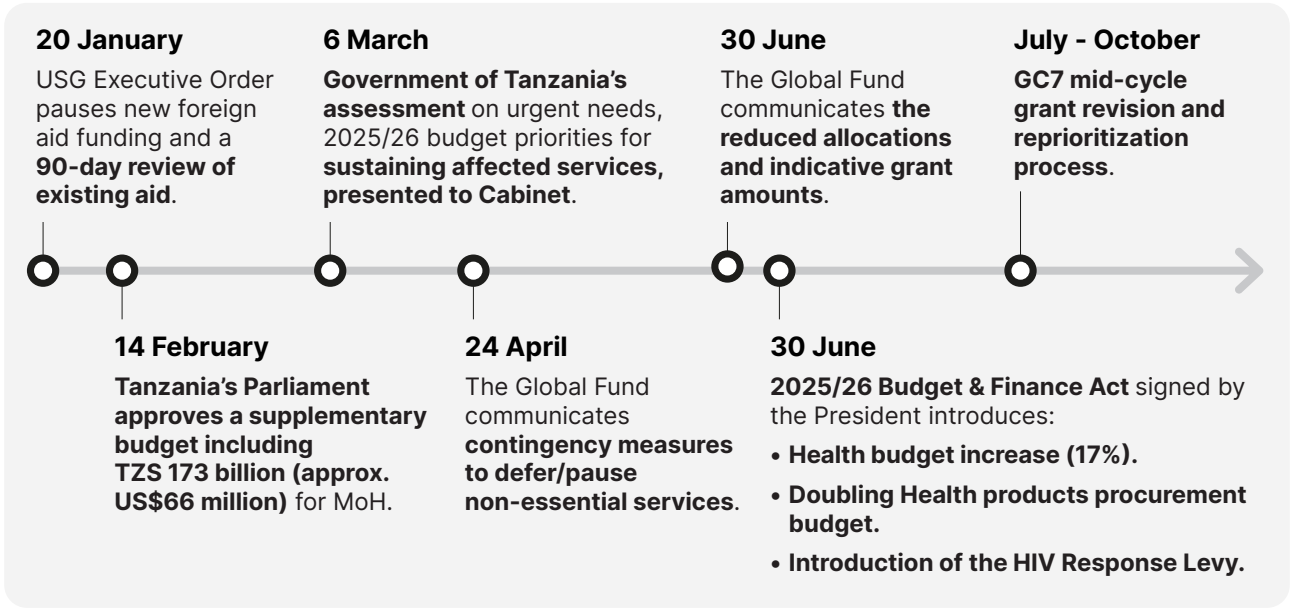
The country's HIV, TB, and malaria programs under Grant Cycle 7 (GC7) are financed through domestic and external sources, with varying contributions by disease.

Figure 1: GC7 funding landscape data



In 2025, the external financing landscape shifted. Foreign aid was reduced, which affected Tanzania's health sector. The Government of Tanzania (GoT) allocated additional resources in response to the service delivery gaps that resulted from the aid reduction. In April, the Global Fund introduced interim measures to ensure continuity of essential programming while deferring some GC7 investment areas. This was followed by reduced country funding allocations in June.

Figure 2: Timeline of key changes to the health financing landscape – January to October 2025



2 WHO Global Health Repository - External health expenditure (EXT) as percentage of current health expenditure (CHE) (%) – *Accessed 3 December 2025*

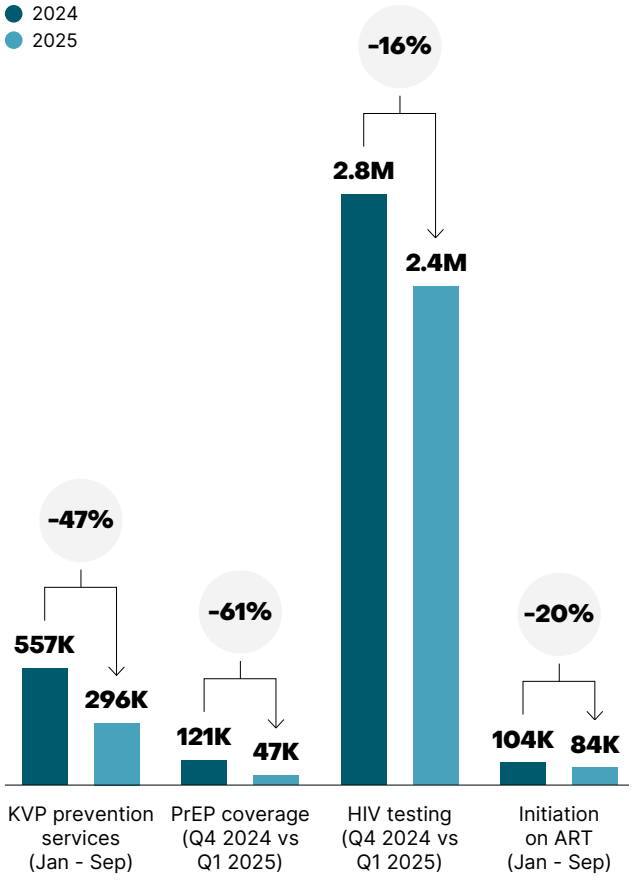
Impact on HIV program

Health facility-based HIV care and treatment continued with minimal reported disruptions. ARVs were available and there were no reported stock-outs. However, community-based services such as prevention and differentiated testing were disrupted. These services declined significantly in 2025, causing a reduction in services provided for prevention, testing and treatment (see Figure 3 for details).

In response, the Government of Tanzania introduced the HIV Response levy[3] in July 2025 to boost domestic financing. The Government also allocated TZS 132.3 billion (US$50.6 million)[4] for the procurement of ARVs, lab reagents and methadone, and the Global Fund delivered ARVs early to prevent stock-outs. Through the GC7 mid-cycle grant revision, the Global Fund funded integrated sample transport until June 2026, PMTCT services were scaled up from 300 to 684 facilities, community interventions expanded to regions formerly supported by PEPFAR, and an additional 0.5 million HIV test kits were funded. To maintain continuity of services, the United States Government (USG) provided bridge funding (October 2025 to March 2026) to support essential services including, but not limited to, PMTCT, testing services and treatment adherence.

Despite these efforts, funding for integrated sample transportation beyond June 2026 has not yet been secured, community-level activities have scaled down, and the establishment and expansion of medication-assisted treatment (MAT) sites in four regions, capacity building, and Social and behavior change communication (SBCC) interventions remain underfunded.[5] The underfunded interventions primarily support community-level HIV prevention and incidence reduction efforts for key populations. This could further worsen HIV prevention coverage, and may disrupt early diagnosis, continuity of care, and harm reduction services for the most vulnerable groups.

Figure 3: HIV community-based services decline



Source: National HMIS data

3 A new 0.1% levy on the gross value of minerals will be collected by the mining commission. The collected amount will be distributed by 70% to AIDS Fund and 30% to Universal Insurance (source: https://www.ey.com/en_gl/technical/tax-alerts/tanzanian-finance-act-2025-analysis - *accessed 5 December 2025*)

4 TZS 2,613.36/1USD 1 Bank of Tanzania mean forex rate on 6 July 2025 (MoH impact assessment report date)

5 Based on discussions with the national program, SBCC activities previously supported by the USG were suspended, and SBCC was among the areas deprioritized during GC7 grant revision. An OIG analysis found that, as part of GC7 reprioritization process, SBCC funding through the Global Fund grant was reduced by 39%, from US$756k to US$460k

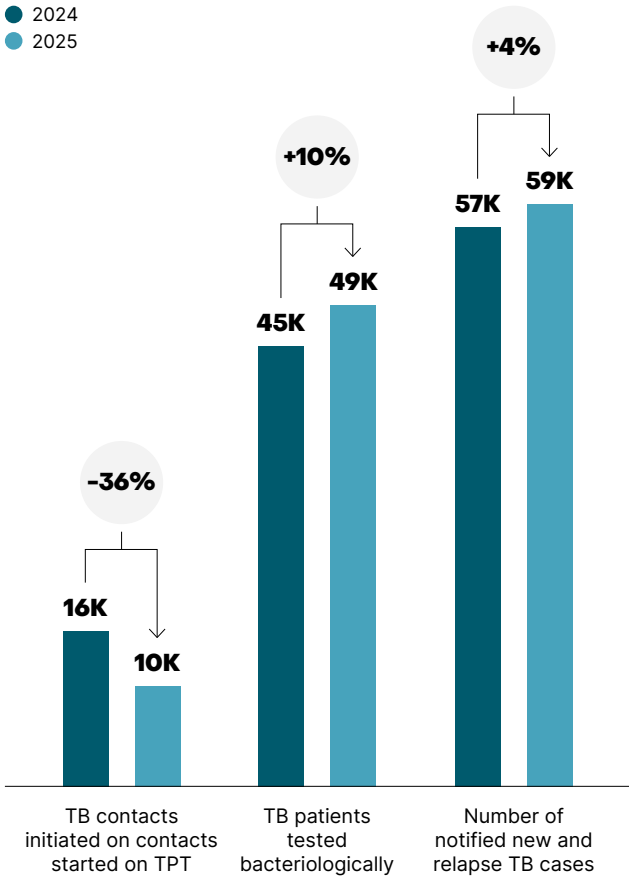
Impact on TB program

TB care and treatment services at health facilities were reported to have continued throughout 2025. However, community-based active case finding stopped in 18 regions after the stop work order issued by the USG, and drug-resistant TB (DR-TB) investigations[6] ceased in five regions. According to national program data, sample transportation for both drug-susceptible and DR-TB was disrupted in 18 out of 26 regions.

In response to these challenges, the Government of Tanzania committed TZS 3.3 billion (US$1.3 million) for TB diagnostic commodities procurement and directed local governments to integrate TB activities into health plans. The Global Fund scaled up community TB activities nationwide, absorbed funding of community health volunteers in 184 councils, expanded TB diagnostic machines maintenance, and provided MDR-TB patient stipends. Based on national program data shared with the OIG, testing and treatment coverage increased compared to 2024 (see Figure 4). The USG provided bridge funding of US$0.75 million for TB commodities, delivered 3,350 GeneXpert kits, and supported LF-LAM[7] rollout in 14 regions. Other partners, such as the UK's Foreign, Commonwealth and Development Office (FCDO), contributed to Community Health Worker (CHW) sustainability assessments and lab system strategies.

Funding gaps remain, including incomplete LF-LAM implementation in six regions, and delays in LabXpert[8] connectivity. Implementing these activities is critical for TB case detection, through strengthening molecular diagnosis, monitoring, and quality assurance. According to WHO data, TB treatment coverage in Tanzania declined from 79% in 2022 to 64% in 2024 (76% in 2023). If TB diagnostic capacity is not strengthened, TB case finding and treatment coverage could reduce further.

Figure 4: Effects on TB prevention, testing and treatment



6 This involves testing DR-TB cases for resistance to specific drugs such as isoniazid, fluoroquinolones, pyrazinamide, ethionamide, and injectables to ensure appropriate treatment.

7 Lateral flow urine lipoarabinomannan assay (LF-LAM) for the diagnosis of active tuberculosis in people living with HIV (source: https://www.who.int/publications/i/item/9789241550604 policy - *accessed 5 December 2025*)

8 A web-based laboratory management and data connectivity platform

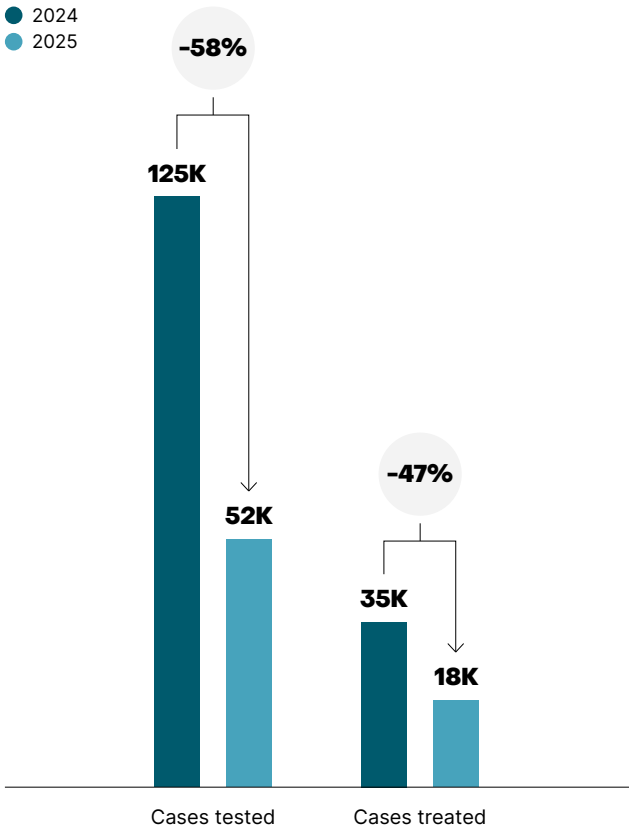
Impact on malaria program

Malaria treatment at health facilities continued in 2025, with no reported stockouts of medicines or test kits. However, community case management and vector control interventions were reported to have been disrupted. Operational funding for CHWs in 16 councils ceased, contributing to a reduction of cases tested and of cases treated at the community level (see Figure 5). Distribution of Insecticide-treated bed nets (ITNs) in four regions through targeted mass campaigns (TMC) and 0.77 million ITNs via the School Net Programme (SNP), planned for 2025, were postponed to 2026. SBCC activities were also scaled down from 11 to five regions.

To mitigate disruptions, the Government of Tanzania allocated TZS 6.4 billion (US$2.4 million) for malaria medicines procurement, and is expected to assume responsibility for ITN distributions via TMC in two regions and SNP, post 2026. The Global Fund absorbed operational costs for community case management in the 16 councils previously supported by PMI, funded 3.6 million additional ITNs, insecticide resistance monitoring (IRM) in 11 sentinel sites,[9] and increased CHWs to 4,323. The USG provided bridge funding for malaria medicines, and will support case management activities in three regions and implement IRM in five sentinel sites.

According to Tanzania's National Malaria Strategic Plan (2021–2025), integrated vector control is implemented through ITNs, indoor residual spraying (IRS), surveillance, and resistance management. However, national SBCC campaigns and IRM for six sentinel sites remain unfunded. These interventions are essential for ensuring effective implementation by tracking malaria vector susceptibility to insecticides and promoting informed ITN use within communities. Failure to implement these activities could lead to increased malaria transmission.

Figure 5: Effects on community-based malaria testing and treatment



Source: National HMIS data

9 Sentinel sites are designated locations, such as selected health facilities or laboratories, that systematically collect data on specific diseases to monitor trends and provide early warning for the wider population.

2.3 High-level description of the adapted GC7 grant revisions process

For multi-grant portfolios.
Adapted from the GC7 mid-cycle reprioritization and revision guidance.

Indicative timelines

End-June 2025

1

Communication of reduced allocations to CCMs and PRs

- The Global Fund informs Country Coordinating Mechanisms (CCMs) and Principal Recipients (PRs) of reduced allocations and indicative grant amounts.

2

CCM review of indicative grant amounts

- The CCM has two weeks to provide a no-objection, or request changes via the Grant Amounts Modification Form.
- If the CCM does not respond within two weeks, the indicative amounts are automatically confirmed as final.

3

Confirmation of reduced grant amounts

- CCM-proposed modifications are reviewed and assessed by the Global Fund Secretariat.
- The Global Fund confirms reduced grant amounts via Notification Letters sent to each multi-grant country PR.

Mid-July 2025

4

Determination of need for further revision and revision approach

- The Country Team (with Regional or Department Head approval) uses a Revision Decision Form to determine if a grant needs further revision, and the appropriate approach.
- This may be either a Budget Revision or a Programmatic Scope Revision.

End-August 2025

5

Revision of grant documents by PRs

- The PRs (in consultation with in-country stakeholders) complete necessary revisions based on the extent of changes to the grant.

September 2025

6

CCM review and PR submission of revised grant documents

- For programmatic scope changes, the CCM must review and endorse the PRs' revision and reprioritization proposals within two weeks of PR submission.
- For material Budget Revisions, CCM endorsement is not required, but the PR must inform the CCM before submission.

Mid-September 2025

7

Global Fund review and approval of revisions

- The Global Fund reviews and approves the revised grant documents to ensure alignment with agreed priorities and the GC7 Programmatic Reprioritization guidance.
- A programmatic revision may trigger a heightened review – which is an additional review by the Grants Approval Committee or Technical Review Panel - determined by the Global Fund Secretariat.

Mid-October 2025

8

Finalization of the revision

- For Programmatic Scope Revisions, the PR signs the Implementation Letter, which is then countersigned by the Global Fund.
- An Implementation Letter is not required for a Budget Revision.

3. Detailed assessment

3.1 Communication of revised allocation to the CCM and PRs

Question:

Was the communication of revised allocations by the Global Fund Secretariat to the Country Coordinating Mechanism (CCM) and Principal Recipients (PRs) accurate?

Key process reviewed:

- The Global Fund's communication of the reduced allocation and indicative grant amounts to CCMs and PRs.

Conclusion: The communication of revised allocations by the Global Fund Secretariat to the TNCM and PRs was **accurate**.

Process sub-step	OIG opinion
The Global Fund communicated the reduced allocations and indicative grant amounts to the Tanzania National Coordinating Mechanism (TNCM), the Principal Recipient (PR), and other relevant in-country stakeholders on 30 June 2025.	The OIG reviewed the communication to the TNCM and PR, and found that the reduced allocation and indicative grant amounts were **accurately communicated to country stakeholders, and aligned with the final approved figures**, including qualitative and other adjustments. The reduced allocation letter was addressed to the Minister of Health, TNCM Chair, and Vice-Chair, with TNCM members, PR representatives, and other relevant stakeholders copied in the email. The letter included a breakdown of the revised indicative grant amounts compared to the original allocations, to facilitate TNCM review.

3.2 Determination of grant revision approach

Question:

Was the grant revision approach (i.e., budget or programmatic scope revision) appropriately classified and approved in line with Global Fund policies and guidance?

Key processes reviewed:

- The process to determine the nature of the grant revision (budget or programmatic scope revision).
- The process and rationale for approving the grant revision approach, in line with the guidance on GC7 mid-cycle reprioritization.
- The classification of the grant revision decision for each of the reduced grants' budget is aligned with the guidance.
- Documentation of the CT's assessment of need for further revision and approval by the Regional Manager/ Department Head.

Key processes not reviewed:

- The process of adopting any corrective actions to mitigate any issues identified - not applicable, as no issues were identified during the review of this process.

Conclusion: The grant revision approach was **appropriately classified, documented and approved** in line with Global Fund policies and guidance.

Process sub-step	OIG opinion
The Country Team (CT) completes a Revision Decision Form to determine whether a grant requires further revision, and to propose an appropriate approach. In determining the revision approach, CT evaluates several factors including: • *Whether programmatic or budgetary changes from the reprioritization exercise require a formal revision.* • *Whether there is any change in programmatic scope.* • *The impact on compliance with Matching Fund access or programmatic conditions.* • *Whether all outstanding Technical Review Panel (TRP) issues can still be addressed.*	**The OIG found that the Revision Decision form was properly used for all three grants, and that the CT processed the revisions using the appropriate approach.** Two (i.e., malaria and TB) out of three grants maintained their original programmatic scope, and were processed as material budget revisions. These fulfilled all review and approval requirements set forth in the GC7 mid-cycle Reprioritization Guidance. The reprioritization of the HIV grant was also processed as a material budget revision. It was processed together with the integration of the Civil Society grant. The reprioritization and integration changes were captured together as an additional funding decision.

Process sub-step	OIG opinion
The rationale for these decisions is documented for each grant, and submitted to the Regional Manager or Department Head for approval.	However, the integration led to the introduction of new interventions under the MOF grant, and consequent addition of activities and revision of the performance framework. The increase in programmatic scope and budget entailed processing of an Implementation Letter, which the OIG reviewed and found to be accurate. The OIG confirmed that country-level engagement complied with the guidance for programmatic scope changes resulting from the additional funding decision. The OIG also confirmed that the CT recommendations were approved by the Head of the High Impact Africa 2 Department on 4 August and 3 September 2025.

3.3 Engagement with CCM and community stakeholders

Question:

Were the engagement and support provided by the Secretariat of the Global Fund to the CCM and community stakeholders throughout the reprioritization and Grant Revision process sufficient and effective?

Key processes reviewed:

- CCM involvement in reviewing the reduced allocations and indicative grant amounts, its response and timeline.
- Confirmation of whether the CCM feedback was signed off by CCM leadership (Chair and Vice-Chair) with representation from both a government and the civil society representative.
- Confirmation of whether the PRs submitted the programmatic scope revision to the CCM (including presentation meeting highlighting the major shifts in modules and interventions including changes to implementation arrangements).
- Confirmation of whether the PRs informed the CCM prior to submission of material budget revisions to the Global Fund.
- Extent of community/CSO engagement throughout the reprioritization process.

Conclusion: The Global Fund Secretariat provided **sufficient and effective engagement** and support to the TNCM and community stakeholders during the reprioritization and Grant Revision process.

Process sub-step	OIG opinion
Review of indicative grant amounts *For portfolios with multiple grants, the CCM reviews the indicative grant amounts communicated by the Global Fund and has two weeks to either provide a no-objection or request changes by submitting the Grant Amounts Modification Form.* *If the CCM does not respond within this timeframe, the indicative amounts are automatically confirmed as final.*	The OIG found that the **TNCM's review and endorsement process was consultative, involving multiple stakeholders, including community and civil society representatives**. Following the Global Fund's communication of reduced allocations and indicative grant amounts on 30 June 2025, the TNCM endorsed the proposed split without modifications. The **endorsement was communicated within the required two-week timeframe** through a letter dated 11 July 2025, signed by the TNCM Chair. Based on meeting minutes reviewed by the OIG, the meeting to consider and endorse the reduced GC7 allocations was held on 10 July 2025, attended by 45 participants, including the TNCM Chair, Vice-Chair, members, PR representatives, and other key in-country stakeholders. Some members of the Global Fund Country Team (CT) also attended the meeting in person.

Process sub-step	OIG opinion
Review of revisions and reprioritization decisions *For programmatic scope changes, the CCM is required to review and endorse the PRs' revision and reprioritization proposals, including major shifts in modules, interventions, or implementation arrangements, within two weeks of PR submission to the Global Fund. Endorsement should be provided by the CCM Chair and the civil society representative if the Chair represents government, or vice versa.* *If the CCM does not respond within the two-week period, the Global Fund considers this as an endorsement and proceeds with the revisions review and approval process.* *For material budget revisions, CCM endorsement is not required, but the PR is required to inform the CCM prior to submission.*	The OIG found that the **revision and reprioritization process involved adequate engagement with the TNCM and community stakeholders**. Community and civil society representatives were directly involved in the budget revision process, and various technical and development partners provided support to the national disease programs. Although GC7 mid-cycle reprioritization guidance did not require TNCM endorsement for budget reviews, the **TNCM reviewed and endorsed the revisions and reprioritization decisions before submission to the Global Fund**. The endorsement decision was made in a TNCM General Assembly meeting held on 1 September 2025. This was a demonstration of proactive engagement and leadership by the TNCM. The **Global Fund Secretariat provided proactive support and guidance to the TNCM and PRs**, including funding rapid technical assistance to strengthen community engagement in GC7 reprioritization. The Global Fund issued formal GC7 reprioritization guidance via partner-portal communications and the public website. This was further reinforced through in-country missions and direct briefings to the TNCM and PRs during the revision process. This support enabled community and civil society representatives to participate in the exercise.

3.4 Secretariat processes for reviewing and approving grant revisions

Question:

Were the Global Fund Secretariat processes adequate to ensure consistent, transparent, and timely review and approval of grant revisions?

Key processes reviewed:

- Process followed by the Global Fund Secretariat in assessing CCM-proposed modifications to indicative grant amounts.
- The Global Fund's review and approval of revised grant documents to ensure alignment with agreed priorities and reprioritization guidance.

Conclusion: Secretariat processes were **adequate** for consistent, transparent and timely grant revision review and approval.

Process sub-step	OIG opinion
Review of proposed modification to program split and confirmation of reduced grant amount *In the event that the CCM proposes modifications to the indicative grant amounts, the Global Fund assesses the proposal against justification provided by the applicant, prior to issuance of a Notification Letter and confirming the reduced grant amount.*	**Not applicable**. The TNCM endorsed the proposed split without modifications.

Process sub-step	OIG opinion
Review and approval of PR revised grant documents *The Country Team reviews grant documents to ensure alignment with agreed priorities and reprioritization guidance.* *For programmatic scope revisions, approval authority depends on whether heightened review is required:* • *Without heightened review: Approved by the Regional Manager or Department Head (RM/DH) and Grant Finance Manager (GFM).* • *With heightened review: Requires either GAC review and approval or TRP review, followed by RM/DH and GFM approval.* *The CT, in consultation with SIID Advisors, determines if heightened review is necessary, and recommends GAC or TRP review based on defined triggers in the guidelines.*	The OIG found that the **Secretariat's review and approval process of the revised grant documents was conducted in accordance with the approved guidelines and procedures**. The OIG found that the CT actively engaged in-country stakeholders throughout the revision process, including leveraging the services of the Local Fund Agent. Between 21 and 25 July 2025, the CT held meetings with national disease programs, PRs, and other stakeholders to review and discuss reprioritization decisions and their justifications. These discussions took place through plenary sessions and parallel working groups focused on health product procurement and detailed budget assumptions. This **proactive approach gave the CT early visibility, enabling timely resolution of key issues and facilitating the review and approval of the PR's revised grant** documents after formal submission by the TNCM.

3.5 Implementation Letter to finalize the grant revisions

Question:

Was the information provided through the Implementation Letter to finalize the Grant Revision process accurate and appropriately signed off?

Key processes reviewed:

- Global Fund communication of the final revised grant budget to the PR for grants with material budget revisions.
- Global Fund communication of the final revised grant budget via implementation letters to the PR for grants with programmatic scope changes.

Conclusion: The Implementation Letter sent for the HIV grant, and final communications for TB and malaria grants, were **accurate and appropriately signed off**.

Process sub-step	OIG opinion
For programmatic scope changes, the Global Fund issues an Implementation Letter to the PR for signature. Once signed by the PR, the Global Fund countersigns and finalizes the revision in the Grants Operating System (GOS). The Implementation Letter includes: • *The revised Grant Confirmation table.* • *The revised Summary Budget.* • *The revised Performance Framework (in exceptional cases).* • *Any additional or amended grant requirements related to the revision.* *The fully signed Implementation Letter formalizes the approved revisions and enables implementation.* *Budget revisions do not require an Implementation Letter.*	The OIG found that the **revised grant amount, summary budget, and amended grant requirements were accurately captured** for the revised grants. **An Implementation Letter** (dated 06 October 2025) was issued for the revised HIV grant. This was necessary because, in addition to the budget revision and reprioritization, the grant was merged with the combined TB/HIV grant. The Implementation Letter **initially included an incorrect version of the Performance Framework**. This error was identified and **corrected** through a subsequent Implementation Letter dated 06 November 2025, which replaced the previous version. We note that this issue did not have any impact on the grant revision process. The OIG noted that the **Global Fund formally notified the PR of the approved revised budgets for TB and malaria via separate emails dated 02 October 2025**. These emails were addressed to the Permanent Secretary of the Ministry of Finance, with the TNCM Chair, Vice-Chair, MOH representatives, and other relevant stakeholders copied. Each email included the revised summary budget and detailed budget in MS Excel format.

Definitions

Programmatic Scope Revision: A Programmatic Scope Revision is a formal change to the design, goals, or objectives of a GC7 grant when reprioritization results in significant programmatic adjustments. It is required when changes go beyond financial reallocations and involve material shifts in the grant's scope.

Budget Revisions: A formal adjustment to the financial structure of a GC7 grant following the mid-cycle reprioritization exercise. It occurs after the Global Fund issues a Notification Letter reducing the overall grant amount, and is required when changes to the grant's financial allocations are significant enough to warrant documentation and approval.

Programmatic reprioritization: The process of reordering and adjusting planned activities and investments within GC7 grants to ensure that limited resources are directed toward the most critical, lifesaving interventions.

Notification Letter: Secretariat communication confirming reduced amounts (and completion of Budget Revisions for non-scope changes).

Implementation Letter: Formal instrument to finalize programmatic scope changes (and special cases like grant mergers); includes revised Grant Confirmation, Summary Budget, PF, and requirements.

Guidance on GC7 Mid-cycle Reprioritization and Revision: Secretariat guidance (published 8 July 2025; updated 25 September 2025) governing classification and approvals.

Principal Recipient (PR): Organization legally responsible for grant implementation and fiduciary management.

Department Head: Secretariat approvers of revision approach.

Annex 1: Rapid Assurance Review Rating and Methodology

Rapid Assurance Reviews conducted by the OIG follow the principles of internal auditing as defined by the Global Institute of Internal Auditors. These reviews are guided by international standards for the professional practice of internal auditing, and by the IIA Code of Ethics, ensuring the quality, consistency, and professionalism of the OIG's work. The OIG has developed a methodology for Rapid Assurance Reviews which provides guidelines for the conduct and management of such reviews. The methodology is further supported by the OIG's Charter, Audit Manual, Code of Conduct, and the specific terms of reference for each engagement, which collectively safeguard auditor independence and uphold the integrity of the review process.

Rapid assurance reviews provide limited, timely, risk-based assurance on a subject matter or process while they are being designed and implemented. They assess the adequacy and effectiveness of governance, risk management, and internal control processes, with a particular emphasis on early identification of issues, and support the development of an appropriate, fit-for-purpose process. These reviews may rely on a combination of targeted testing, interviews, documentation reviews, and triangulation with other assurance sources to form a balanced and evidence-based conclusion.

The rating methodology used in Rapid Assurance Reviews reflects the degree to which governance, risk, and control processes are designed and operating effectively to support the achievement of intended objectives. Ratings are assigned based on the nature and severity of issues identified, the reliability of available evidence, and the context in which the review is conducted.

Rapid Assurance Review Rating Classification

Rating	Definition
No material issues noted	No issues or few minor issues noted. Internal controls, governance and risk management processes were reasonably designed and implemented, given the context, and materially effective to support the achievement of intended objectives.
Some concerns noted	Moderate issues noted. Internal controls, governance and risk management processes were reasonably designed and implemented, given the context, but one or a limited number of issues were identified that may present a moderate risk to the achievement of intended objectives.
Significant issues noted	Multiple significant and/or material issue(s) noted. Internal controls, governance and risk management processes are not adequately designed and/or are not generally effective. The nature of these issues is such that the achievement of intended objectives is seriously compromised.
Not able to conclude	A conclusion could not be reached due to insufficient, incomplete, or unreliable information. The design and/or implementation of internal controls, governance, and risk management processes could not be adequately assessed, and the effectiveness of these processes remains undetermined.