

Geneva, 13 March 2026

Subject: 2026-2028 Allocation Letter¹

Dear Dr. Thembisile Xulu,

Together, the Global Fund partnership has made remarkable progress in the fight against HIV, tuberculosis (TB) and malaria over the past two decades. Now, with significant constraints in external financing for health and a rapidly evolving global health ecosystem, we must adapt and intensify our focus on delivering sustainable health outcomes in this new context.

For the 2026-2028 allocation period (Grant Cycle 8 (GC8)), the Global Fund is introducing a set of [strategic shifts](#)² building on the [2023-2028 Global Fund Strategy](#)³, to accelerate pathways to self-reliance, sharpen investment priorities, strengthen value for money and advance access to innovations.

South Africa Allocation

For GC8, **South Africa has been allocated up to US\$402,982,744 for HIV, TB and building resilient and sustainable systems for health (RSSH)**. This allocation has been determined according to a methodology primarily based on disease burden and income level.

Table 1: Summary of allocation

Eligible disease component	Allocation up to US\$	Allocation Utilization Period
HIV	344,836,579	1 April 2028 to 31 March 2031
Tuberculosis	58,146,165	1 April 2028 to 31 March 2031
Total	402,982,744	

Transition from Global Fund financing. In line with the Global Fund's [Sustainability, Transition, and Co-Financing Policy](#)⁴ (STC policy), the Global Fund has determined that Grant Cycle 9 (GC9) will be the final allocation for South Africa for HIV and TB, so investment priorities for GC8 should reflect the expectation that there will be a full transition to domestic funding by the end of the next two grant cycles. Specific guidance is included under the Aims of the Allocation section and expectations for co-financing are described in **Annex A** of this letter.

¹ This letter includes one annex and links, which should be read together and in full.

² <https://resources.theglobalfund.org/en/strategic-shifts-gc8/>

³ https://www.theglobalfund.org/media/11612/strategy_globalfund2023-2028_narrative_en.pdf

⁴ https://www.theglobalfund.org/media/14383/core_sustainability-transition-cofinancing_policy_en.pdf

Aims of the Allocation

Country dialogue discussions around the use of the allocation should ensure rigorous prioritization of HIV, TB, malaria and RSSH investments considering up-to-date country epidemiologic data, WHO normative guidance and the Global Fund's GC8 [investment guidance](#)⁵.

South Africa is encouraged to focus on implementing a robust transition plan to enable fully domestically-funded HIV and TB responses, focusing Global Fund investments and co-financing on the key priorities to transition from Global Fund financing, including sustainable approaches for community systems financing, cost-effective procurement mechanisms, integration of disease responses into the broader health system, and streamlined management models. Investment priorities should take account of the expectation that Grant Cycle 9 (GC9) will be the final allocation period for HIV and TB for South Africa.

Countries are encouraged to consider opportunities for further integration of HIV and TB responses into primary health care services to enhance effectiveness and efficiency. Countries are also encouraged to make targeted investments in cross-cutting health and community systems that strengthen essential functions and infrastructure and enhance engagement and access of affected populations. Such investments in health and community systems will reinforce the impact and sustainability of HIV and TB responses. In determining investments in health and community systems, countries must consider alignment with all funding sources, including domestic funding, other multilateral agencies, including Gavi, the World Bank and other multilateral development banks and other bilateral partners. We recommend the Country Coordinating Mechanism (CCM) invite relevant ministry and partner representatives to country dialogue meetings to develop investments in a collaborative and holistic manner.

In addition, the Global Fund would like to share specific guidance for South Africa's funding request.

In GC8, the Global Fund will support South Africa with prioritized investments for the following areas:

- **HIV:** a) expanding treatment coverage (currently 80%), retention and re-engagement broadly and among key and vulnerable populations and adolescent girls and young women; b) continuing efforts to identify those with advanced HIV disease and ensure access to treatment and the full advanced HIV disease package of care; c) continuing to address HIV prevention coverage gaps in populations with the highest HIV incidence; d) prioritizing scale up of long-acting injectable Lenacapavir (LEN) in line with the national plan; and e) continuing investment to address barriers to accessing HIV prevention and treatment services such as those related to human rights and gender.
- **TB:** a) continuing to strengthen interventions to find and treat all people with DS- and DR-TB including children and people living with HIV (treatment coverage at 74% / 2024 for DS-TB), while scaling-up TB prevention and improving treatment outcomes (TSR 71% / 2023 for DS-TB); b) continuing to leverage innovations to strengthen the TB care cascade, generate efficiencies through optimized screening, diagnostic networks and tools, and expand

⁵ <https://resources.theglobalfund.org/en/technical-guidance/>

access/coverage through integrated service delivery models; and c) adopting cost-effective diagnostic tools, optimizing screening algorithms, and providing shorter treatment regimens.

- **Public Financial Management (PFM):** The GC8 allocation should continue to focus on financial accountability using country systems and prioritizing strengthening public financial management systems, (e.g. by ensuring national budgeting processes formally take account of grant funds), where conditions allow and fiduciary risks are appropriately managed - with an aim to strengthen country ownership, transparency and sustainability of financial investments and programmatic outcomes.

Conditions to Access the Allocation

CCM eligibility requirements. The Global Fund Secretariat screens all applicants for compliance with CCM [eligibility requirements](#).⁶ Compliance with requirements 1 and 2 is assessed at the time of submission of the funding request⁷ and others continue to be assessed on a yearly basis. Continued compliance with all eligibility requirements is a condition to access Global Fund financing (including for the CCM).

Focus of Funding. The STC policy sets out Focus of Funding requirements for all countries by income level. South Africa is classified as an upper middle-income country.⁸ Specific recommendations apply to transition funding and final grants. Please refer to the STC guidance note⁹ for relevant information for your country.

Co-financing requirements. Global Fund financing complements domestic funding for national responses to HIV, TB, and RSSH. Improving domestic resources for health is essential to end the diseases, sustainably strengthen systems for health and support countries to effectively transition from Global Fund financing. To access the full GC8 allocation, countries must meet the co-financing requirements described in the STC policy. All countries are expected to make specific commitments to progressively increase financing for key programmatic interventions and cover a growing share of key program costs of national responses, especially those interventions currently financed by the Global Fund. Lower-income countries and lower-middle-income countries are also expected to commit to increased government health expenditure over the allocation period.

20% of South Africa's GC8 allocation will be accessible if South Africa meets the co-financing requirements set out in **Annex A**. Country co-financing commitments must be finalized and communicated to the Global Fund during grant-making in formal co-financing commitment letters, endorsed by relevant government authorities. These commitments should be ambitious yet realistic, strategically focused and supportive of country efforts to both strengthen financial sustainability and effectively transition from external financing.

⁶ https://www.theglobalfund.org/media/7421/ccm_countrycoordinatingmechanism_policy_en.pdf

⁷ Or other application documents.

⁸ Determined from gross national income (GNI) per capita using the World Bank income group thresholds for 2025.

⁹ <https://resources.theglobalfund.org/en/technical-guidance/>

Opportunities for Funding Beyond the Allocation Amount

Catalytic Investment Matching Funds. Funded primarily from earmarked private sector sources, the Global Fund provides Catalytic Investment Matching Funds for Board-approved priority areas.

South Africa is eligible for US\$900,000 in additional funding from the Matching Fund for Public Financial Management. This funding should be deployed in a catalytic manner to inspire innovation and maximize impact in this strategic domain. Further details on the conditions to access Matching Funds are included in **Annex A**.

Unfunded quality demand. The Global Fund requests that all applicants develop a Prioritized Above Allocation Request (PAAR). Interventions from the PAAR that the Technical Review Panel considers quality demand will be listed on the Register of Unfunded Quality Demand (UQD) for potential future funding.

Joint investments/Debt2Health. Strengthening alignment with other external financiers and using innovation to increase domestic resources for health are a focus of the Global Fund Strategy and critical for transition. Global Fund financing must be complementary to other sources of external financing, and South Africa should consider opportunities for joint investments and improved resource mobilization through alternative financing mechanisms such as Debt2Health.

Thank you for your shared commitment and efforts in the global fight against HIV, TB and malaria.

Sincerely,

Mark Eldon Edington

Mark Eldon-Edington
Head, Grant Management Division

Annex A

Allocation

Currency. The allocation for South Africa is denominated in US dollars. Global Fund allocations can only be denominated in Euro or US dollars. If you would like to discuss a possible currency change for the next allocation period, kindly notify your Fund Portfolio Manager by 15 April 2026.

Conversion of donor funding. The GC8 allocation was determined considering announced pledges for GC8, as adjusted. It is the amount notionally apportioned to your country to enable the timely preparation of robust and quality funding requests. Should pledge risks require further adjustments to sources of funds, given the current external funding landscape, a portion of the allocation amount may not materialize. In such a scenario, the CCM, Principal Recipient(s) and the Global Fund will work together to operationalize any required changes to the design of the grant program due to reductions in allocations.

Timing. The allocation for each disease component can be used during the relevant allocation utilization period.¹⁰ Any remaining funds from a previous HIV, TB or malaria allocation, unused by the start of the indicated allocation utilization period, will not be additional to the GC8 allocation.¹¹

Program split. The Global Fund has proposed an indicative split of allocation funds across eligible disease components. However, the CCM is responsible for assessing and proposing the best use of funds across these disease components and RSSH. Applicants can choose to accept the Global Fund split or propose a revised one, grounded on an evidence-based analysis of programmatic gaps, considering the funding needed to maintain essential programming and reach those most affected by HIV, TB and/or malaria. Global Fund approval of any proposed program split change is required before the review of the funding request.

To better identify synergies in system investments across eligible diseases, applicants are required to indicate the intended investment amount for RSSH from within each disease allocation in the program split confirmation form. Providing this information is not considered a program split change.

Recoveries. As of 15 February 2026, there is an outstanding recoverable amount owed to the Global Fund of US\$4,932,680, of which US\$4,932,680 is overdue under the relevant grant agreements. If this is not satisfactorily repaid, the Global Fund can apply remedial action, including by reducing funding of twice the outstanding recoverable amount from the allocation.

Application Approach

South Africa is requested to submit its application for funding using the Tailored for Transition (HI/Core) funding request. A complete set of application materials will be shared through the Global Fund Partner Portal¹². Applicants will need to update their grant entity data to access the Portal.

¹⁰ See Table 1 of this letter.

¹¹ Any extension of an existing grant using the HIV, TB or malaria allocation will be deducted from the subsequent allocation utilization period, both in terms of time and funds used during the extension period.

¹² <https://resources.theglobalfund.org/en/grant-life-cycle/applying-for-funding/submission/>

For each country, the available allocation for each component can only be accessed once per grant cycle. Funding requests for all eligible components are required to be submitted at the same time and, where feasible, are expected to be integrated into a single multi-component funding request to optimize investments and integration. Due to high co-infection of TB and HIV, a joint TB/HIV funding request is mandatory.

All funding requests are required to be developed through inclusive and transparent country dialogue with a broad range of stakeholders,¹³ including key and vulnerable populations.

A variety of resources to help applicants prepare their funding requests will be available on the [Global Fund website](#).¹⁴ We encourage all those involved in the preparation of the funding request to carefully read the available guidance.

Implementation

The Global Fund recognizes the value of efficient implementation and actively encourages all countries to explore opportunities to streamline and consolidate implementation arrangements for GC8. Applicants should consider optimal service delivery arrangements based on country context, with due consideration to community-based and -led organizations.

Strengthening Sustainability and Impact of Investments

The Global Fund's co-financing requirements are determined by a country's income classification and outline how countries must make specific domestic financing commitments to access the full Global Fund allocation. These requirements aim to strengthen the overall impact and sustainability of Global Fund investments and support effective transition.

Co-financing. 20% of South Africa's allocation is conditioned on co-financing requirements. South Africa must make sufficient co-financing commitments during grant-making in line with STC policy requirements. For South Africa, the total estimated minimum co-financing requirement for GC8 is US\$4,735,542,163. This is based on South Africa's GC7 co-financing commitments in its GC7 commitment letter, and US\$60,447,412 of additional requirements under the STC policy. The Global Fund will dialogue with South Africa during the funding request and grant-making processes to adjust this total minimum requirement where needed, considering actual realizations and efficiencies. Under the STC policy, the commitments must be targeted and include domestic financing of key programmatic interventions, especially those which are currently financed by the Global Fund.

As South Africa is classified as an upper middle-income country, 100% of the co-financing commitments must be focused on specific sustainability and transition activities, with attention to priorities related to key and vulnerable populations.

In line with the STC Policy, South Africa is expected to sustain its strong domestic financing contribution to the national HIV and TB response, including continued financing for core programme costs such as commodities and the conditional grant framework that supports provincial service

¹³ Stakeholders should include relevant government directorates, e.g., laboratory directorate, community health directorate, human resources for health directorate.

¹⁴ <https://resources.theglobalfund.org/en/grant-life-cycle/applying-for-funding/>

delivery. Building on the Government's long-standing leadership in funding the majority of the national response, GC8 is expected to be used to sustain current domestic allocations and ensure continuity of essential services while further strengthening sustainability in priority areas. For GC8, programmatic co-financing commitments are expected to place particular emphasis on accelerating domestic investment in key and vulnerable population (KVP) programming, given that KVP services remain the most significant sustainability risk and continue to be disproportionately reliant on external financing. Accordingly, the Government is expected to increase domestic resources for KVP-focused prevention and treatment services, including community-led and differentiated service delivery models, and other interventions critical to coverage. These commitments are expected to be translated into credible, traceable and verifiable execution, with clear linkage to budget lines, predictable releases, and transparent reporting.

South Africa should provide confirmation of co-financing commitments through its co-financing commitment letter, and later, evidence of realization of those commitments from appropriate government authorities, including the Ministry of Finance and/or other relevant bodies. The Global Fund will work in a spirit of openness and collaboration with the Government to agree on specific co-financing commitments that are consistent with South Africa's overall fiscal situation and country context, and which advance self-reliance and financial sustainability over time.

Previous co-financing and domestic commitments for GC7. Failure to realize previous co-financing commitments from GC7 may result in the Global Fund reducing funds from existing grants and/or the GC8 allocation. South Africa should submit evidence of the realization of previous commitments when submitting its funding request. Evidence of expenditure against commitments to increased government health spending, disease program spending, and specific programmatic spending should accompany the funding request and supporting documents.

Conditions for Catalytic Investment Matching Funds

South Africa may access up to US\$900,000 from the **Public Financial Management (PFM) Matching Fund**, provided that South Africa also invests at least a quarter of the amount of available Matching Funds from its country allocation in PFM activities.

Limited additional funding may be available to South Africa from the PFM Matching Fund, based on quality of the interventions proposed.

All Matching Fund amounts are subject to funding confirmation. For each Matching Fund amount, countries must also meet specific programmatic conditions, which can be accessed [here](#).¹⁵

¹⁵ <https://resources.theglobalfund.org/en/grant-life-cycle/sources/matching-funds/>