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Global Fund Observer

NEWSLETTER

Issue 356: 17 May 2019 – 41st Board Meeting

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[1. NEWS: Main decisions at Global Fund's 41st Board meeting include updated allocations methodology and restricted financial contributions](#)

BY ADÈLE SULCAS AND DAVID GARMAISE

The Global Fund held its 41st Board Meeting on 15-16 May at the Global Health Campus in Geneva. This article summarizes the main decisions made by the Global Fund Board at this meeting, one withdrawn decision point, recent decisions taken through electronic voting prior to the meeting, and a few of the many other topics discussed during the two-day meeting and the 'Pre-Day' sessions.

[2. NEWS: Global Fund Board approves updated allocation methodology for 2020-2022](#)

BY DAVID GARMAISE

The allocation methodology for 2020-2022 will be very similar to the methodologies used for the last two allocation periods. The methodology prioritizes funding for high-burden and low-income countries. In approving the methodology, the Board decided that up to \$800 million of the funds available for country allocations will be used to top up components that require "paced reductions" and components that previously received less funding than the formula calls for.

[3. NEWS: Global Fund Board approves 26 catalytic funding priorities for 2020-2022](#)

BY DAVID GARMAISE

The Global Fund Board has approved the catalytic funding priorities for the next allocation period. The total cost to fully implement all 26 priorities is \$894 million. However, the actual budget won't be known until after the Sixth Replenishment pledging conference in October

2019. The Board decision contains five potential funding scenarios. Nevertheless, the Secretariat can now begin planning for implementation of the catalytic funding priorities.

4. NEWS: Global Fund resource mobilization efforts on track in leadup to Sixth Replenishment, Board is told

BY ADELE SULCAS

In the resource mobilization and replenishment update to the Board, at the Global Fund's 41st Board Meeting, Director of External Relations Francoise Vanni emphasized progress made in the campaign for the Sixth Replenishment since the last Board meeting in November 2018, the key priorities leading up to the Pledging Conference in October 2019, and risk mitigation regarding donor confidence. The Board also approved a Decision Point on an amendment to restricted financial contributions.

5. NEWS: New OIG Advisory Report on grant implementation in Western and Central Africa identifies room for improvement

BY CHRISTELLE BOULANGER

An Advisory Report from the Office of the Inspector General on grant implementation in Western and Central Africa shows progress in reducing mortality from HIV and malaria, poor performance in tackling TB, and better absorption of funds than other African regions. It also identifies the complex, systemic challenges that countries from this region face in implementing health programs, and makes recommendations on five areas affecting grant performance. The OIG is expected to publish this report shortly.

6. NEWS: Global Fund continues efforts to enshrine community engagement, human rights, and gender equality in programs and processes

BY CHARLIE BARAN

The latest annual Community, Rights and Gender Report summarizes the Global Fund's wide-ranging efforts to advance CRG principles through grants, a strategic initiative, and key partnerships. The Board approved continuation of the CRG-Strategic Initiative, among others, for the 2020-2022 allocation period. Additional programming in this area includes catalytic and matching funds grants, Secretariat-level reforms, and support for community-based monitoring of grants and grant-supported programs.

7. NEWS: Global Fund has achieved generally positive results against its performance targets, report to 41st Board says

BY DAVID GARMAISE

The latest strategic performance report indicates that the Global Fund is generally performing well against its key performance indicator targets, but that performance in some areas is lagging. One such area is incidence – i.e. the number of new infections and cases. Other areas where performance needs to improve are human rights and key population programming; availability of health technologies; service delivery; and gender and age equality. One area where the Fund is performing well is absorptive capacity. The performance report discusses

some common misconceptions about absorption. This article also mentions a pilot project to provide some country-level performance reporting.

[8. ANNOUNCEMENT: Global Fund Board's next Chair and Vice-Chair appointed using new selection process](#)

BY DAVID GARMAISE

The Global Fund Board has a new chair and vice-chair. On 2 May 2019, the Board appointed Donald Kaberuka as chair and Roslyn Morauta as vice-chair. Each will serve for a two-year term starting from the adjournment of the 41st Board Meeting on 16 May. They will replace the outgoing chair and vice-chair, Aida Kurtović and John Simon, respectively. For this selection, the Board followed a new process that it adopted in May 2018.

[9. ANNOUNCEMENT: United States' House Appropriations Committee approves increased funding for Global Fund's Sixth Replenishment](#)

BY AIDSPAN STAFF

The United States' House Appropriations Committee approved increased funding for the Global Fund, of \$1.56 billion for 2020, which if enacted would maintain the U.S.'s share of Global Fund funding at 33%. This amount is exactly what the Global Fund, health advocates, civil society, and other supporters have been working towards, in order to achieve the Global Fund's minimum target of \$14 billion for the Sixth Replenishment.

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ARTICLES:

1. NEWS: Main decisions at Global Fund's 41st Board meeting include updated allocations methodology and restricted financial contributions

Decision on changes to committee selection processes deferred for further consultation

Adèle Sulcas and David Garmaise

17 May 2019

On 15-16 May 2019, the Global Fund Board held its 41st meeting in Geneva, Switzerland. GFO was present, with observer status. The main decisions made at the meeting, in chronological order, are described below. (*For precise wording of what the Board agreed, see the decision points document that is available at www.theglobalfund.org/en/board/meetings/41. Background documentation will also, in time, be posted by the Global Fund at the same location.*)

The Board tabled nine decision points and approved eight of them, including the pro-forma Rapporteur and Agenda points. An additional three decisions were approved by electronic

voting prior to the Board Meeting, and one is expected to be approved by electronic voting after the meeting has concluded (details near the end of this article).

Apart from approving the meeting's Rapporteur (GF/B41/DP01) and Agenda (GF/B41/DP02), the main decision points approved were:

Allocation methodology. The Board approved an updated allocation methodology for use in determining the allocations to countries for the 2020-2022 allocation period. The Board also decided that up to \$800 million from the funds available for country allocations will be used to ensure scale-up, impact and paced reductions (as described in the methodology). In addition, the Board reaffirmed the Core Funding Model Principles as presented in Annex 3 to Board Document GF/B35/05 – Revision 1. Further, the Board tasked its Strategy Committee to approve at its July 2019 meeting the method by which the Secretariat will apply and report on the qualitative adjustment process, which is part of the allocation methodology. Finally, the Board acknowledged that the allocation methodology and the technical parameters (approved by the Strategy Committee in March 2019) supersede the 2017-2019 allocation methodology and technical parameters. Further details are provided in [a separate article in this issue](#). [See Decision Point GF/B41/DP03.]

Catalytic investments. The Board approved a set of catalytic priorities for the 2020-2022 allocation period. The Board decision contains five potential scenarios outlining how much funding would be provided for catalytic investments; which catalytic priorities would be implemented; and what the budget would be for each priority. Within the five scenarios, the amount of funding for catalytic investments ranges from \$200 million to \$900 million. The five scenarios cover a range of funding available for allocation from \$10.1 billion to \$13.1 billion (or more). Which scenario will apply depends on the amount of funding available overall for allocation; this amount won't be known until after the Sixth Replenishment pledging conference in October 2019.

The Board said that if sources of funds for allocation are below \$10.1 billion, the Secretariat should return to the Strategy Committee with a new recommendation for catalytic investments. In addition, the Board decided that in the event that sources of funding are above the midpoint of any of the funding ranges specified in the five scenarios, the Secretariat may recommend that the Board approve an additional amount, up to \$100 million, for catalytic investments.

The Board also approved, the day before the meeting began, an amendment to the Decision Point, proposed by the United States' and the Developing Country NGOs' delegations, to include a rigorous approval, technical review and regular reporting (to the Strategy Committee) process.

Finally, the Board noted that the Secretariat (a) will have flexibility to operationalize the catalytic investments; (b) will update the Strategy Committee and the Board on such operationalization; (c) will have flexibility to reallocate associated costs among the approved priorities within 10% of approved costs for a specific priority; and (d) will present any proposed reallocations of associated costs exceeding 10% for a specific priority to the

Strategy Committee for approval. Further details are provided in [a separate article in this issue](#). [See Decision Point GF/B41/DP04.]

Restricted financial contributions. The Board approved an Amended and Restated Policy on Restricted Financial Contributions as recommended by the Audit and Finance Committee. The previous policy allowed eligible donors to provide restricted funding, such as for interventions on the Unfunded Quality Demand (UQD) Register, but it placed a limit on the amounts and did not specifically allow fundraising for other Board-approved priorities. The amendment, aimed primarily at encouraging greater private sector engagement, allows for restricted contributions up to the budget of the approved UQD intervention and allows eligible donors to support other Board-approved priorities, such as catalytic investments. This policy supersedes the Amended and Restated Policy on Restricted Financial Contributions approved by the Board in May 2017. [See Decision Point GF/B41/DP05.]

2018 Annual Financial Report. The Board approved the Global Fund’s 2018 Annual Financial Report, which includes the 2018 Consolidated Financial Statements. In a separate Decision Point, the Board also approved the Global Fund’s 2018 Statutory Financial Statements. All of these documents were audited by KPMG SA. [See Decision Points GF/B41/DP06 and GF/B41/DP07.]

Appointment of the external auditor. Based on the recommendation of the Audit and Finance Committee, the Board authorized the reappointment of KPMG SA as the Global Fund’s independent external auditor for a second term of three years beginning with the 2019 financial year. [See Decision Point GF/B41/DP08.]

Appreciation of Outgoing Chair and Vice-Chair of the Board. In a late-breaking Decision Point on day 2 of the meeting, the Board institutionalized its appreciation for the leadership of outgoing Chair Aida Kurtović and Vice-Chair John Simon. The Board highlighted Kurtović’s “significant contribution to the priorities of the Global Fund over many years” and her particular attention to engagement with constituencies, as well as Simon as “an active driver of governance effectiveness, relationship building and collaboration,” that will have a lasting impact on the Global Fund. Kurtović previously served as Board Member for the Eastern Europe and Central Asia Constituency, and as Vice-Chair of the Board. The decision also bestows on Kurtović and Simon the titles of Chair Emeritus and Vice-Chair Emeritus, respectively. [See Decision Point GF/B41/DP09.]

DECISION POINT WITHDRAWN

Strengthening committee selection processes. The Board withdrew this decision from consideration, on day 2 of the meeting, for further consultations; the decision is moved for consideration to the November 2019 Board meeting. After consultations prior to this meeting, the Ethics and Governance Committee (EGC) and the EGC Working Group received extensive feedback and comments on the proposed decision, including objections from the United States and Developed Country NGO delegations, and have decided to take more time for further consultations.

The background to this decision point is that in May 2018, after the Board instructed the EGC to review the existing processes for committee membership selection, the EGC made a recommendation to the Board on principles and actions to guide the selection process, on standards and processes for due diligence, and on the size and composition of the EGC.

The revised processes initially up for decision at the 41st Board meeting were intended to improve transparency, rotate the representation of constituencies, and promote relevant experience, institutional memory, gender equality, and proper due diligence processes. The processes include a set membership rotation, selection focusing on competence and diversity, and improved due diligence. The recommendation was developed using input from 17 constituencies, solicited by the five-person EGC Working Group on Committee Selection Processes.

ELECTRONIC DECISION POINTS CONFIRMED

Just prior to its in-person meeting in Geneva, the Board made three decisions through electronic voting:

Appointment of the Board Chair and Vice-Chair (EGC/BLNC). The Board appointed Donald Kaberuka (Rwanda) as Chair and Roslyn Morauta (Papua New Guinea) as Vice-Chair, beginning with the adjournment of the 41st Board Meeting on 16 May. In choosing its new chair and vice-chair, the Board followed a [selection process](#) that it adopted in May 2018. The selection process was launched in November 2018 at the 40th Board meeting. Under the new process, a Board Leadership Nominations Committee (BLNC) was created to coordinate the selection and an executive search firm was engaged to provide support. The decision to appoint Dr. Kaberuka and Lady Morauta was taken by electronic voting on 2 May 2019 and was announced publicly the following day. They will replace the outgoing chair and vice-chair, Aida Kurtović and John Simon, respectively. This is the first time that the donor bloc has nominated a Chair from an implementing country.

The two other decisions made through electronic voting were **Revisions to Core Governance Documents (EGC)** and **Revisions to the OIG Charter (AFC)**.

One further decision is expected to be taken electronically after the Board meeting, on the **Governance Performance Assessment Framework (AGC)**.

Other topics

Some of the other topics discussed at the Pre-Day sessions and at the Board meeting, for which there were no associated decision points, included:

Executive Director update. Global Fund Executive Director Peter Sands addressed the Board in the first session of the meeting on May 15, speaking from notes and a small number of slides. His full address was not distributed as an official document related to the Board meeting.

Domestic resource mobilization. This increasingly important topic, in the era of Sustainability, Transition, and Co-financing (STC), and five months before the Sixth Replenishment, had a ‘Pre-Day’ special session dedicated to it. The Investment Case for the Sixth Replenishment projects that of the global needs to fight AIDS, TB and malaria in 2021-2023 (\$101 billion), \$46 billion will come from domestic resources, and increase of 48% over the current cycle. The session discussed the finalization of the STC policy and that the findings will be presented at the next Strategy Committee meeting (July 2019) for decisions on next steps. Several country initiatives were also presented, such as the National Aids Trust Fund in Uganda and the Indonesian Fund for TB control. Several representatives from communities highlighted the key role of civil society organizations in the mobilization of domestic resources through advocacy, and the creation of country Domestic Funding Mobilization funds have also appeared as a possible option.

Office of the Inspector General 2018 Annual Report. The Global Fund’s Inspector General, Mouhamadou Diagne, presented to the Board, in the opening session of day 2, his annual report, designed to provide assurance to the Board over the design and effectiveness of controls or processes to manage key risks affecting Global Fund programs. The report highlighted key areas that require attention, including program quality (especially related to HIV diagnostics and treatment monitoring, services to key populations, and integration of service delivery), finding missing TB cases, transition, sustainability, and striking the right balance between short-term delivery needs and longer-term capacity building of national implementers. The report also noted continued improvements in the Global Fund’s own internal processes and systems, as well as the organization’s increasing maturity in terms of the targeted ‘embedded’ stage of maturity. The GFO will publish a fuller account of the OIG’s report in an upcoming issue.

Global Fund and UNITAID collaboration. The two organizations’ Executive Directors, Peter Sands and Lelio Marmora, made a joint presentation as part of the ‘Leadership Updates’ session on day 1 of the Board Meeting. While it is clear that the institutions already collaborate extensively and share the aim to end the epidemics, this presentation framed the partnership as “critical” for the introduction and scaling up of innovations in order to do so. Marmora described Unitaids’ main focus as innovation adapted to low resources and challenging environments, market shaping to lower treatment prices and make treatment accessible for patients, and feasibility to scale up the interventions. A Memorandum of Understanding is being drafted to frame this collaboration and facilitate future collaboration.

Wambo.org. During a Pre-Day session on May 14, the Head of the Global Fund’s Sourcing and Supply Chain, Philippe François, presented an update on the use of Wambo as part of a Sourcing and Supply Chain update. Francois presented Wambo as a “transaction management tool that supports access and compliance for grants”. He described achievements for 2018, including \$1.1 billion worth of product procured through the platform, enabling 116 Principal Recipients in 62 countries to access and benefit from this pooled procurement mechanism (PPM). Françoise noted the difference between PPM, which shapes the market, and Wambo, a tool for order management that facilitates better access to the market. He also explained the Domestic Funding pilot, which started with 10 transactions and has been extended by another 50 (approved by the Strategy Committee in March).

Further feedback on learnings from the pilot and a proposed future strategy will be presented to the Board committees and to the Board in October/November 2019. Future challenges relate to the scale up of the tool, the structures that need to be in place to enable the use of Wambo, and the identification of additional groups that may benefit from Wambo. Among the questions raised by the audience, the most significant was the role of civil society in ensuring transparent use of Wambo and access to medicine for key populations that continue to experience discrimination.

West and Central Africa OIG Advisory report. The OIG’s findings on grant implementation in the Western and Central Africa region were presented in a session during the Pre-Day meeting on May 14 (see [separate article in this issue](#)). The report highlights both the successes in the region in terms of the epidemic’s downward trends for malaria and HIV, and lists the limitations hampering improved implementation, such as the Global Fund’s undifferentiated processes and procedures of risk mitigation. Questions were raised by the West and Central Africa delegation to the Secretariat about the follow-up to the report’s recommendations, and concrete and adapted measures to make the Global Fund’s policies more flexible and adapted to specific country contexts.

Christelle Boulanger contributed additional reporting for this article from Geneva.

The official document containing the Decision Points from the Global Fund’s 41st Board Meeting is available [on the Global Fund website](#) at https://www.theglobalfund.org/media/8456/bm41_decisionpoints_report_en.pdf.

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2. NEWS: Global Fund Board approves updated allocation methodology for 2020-2022

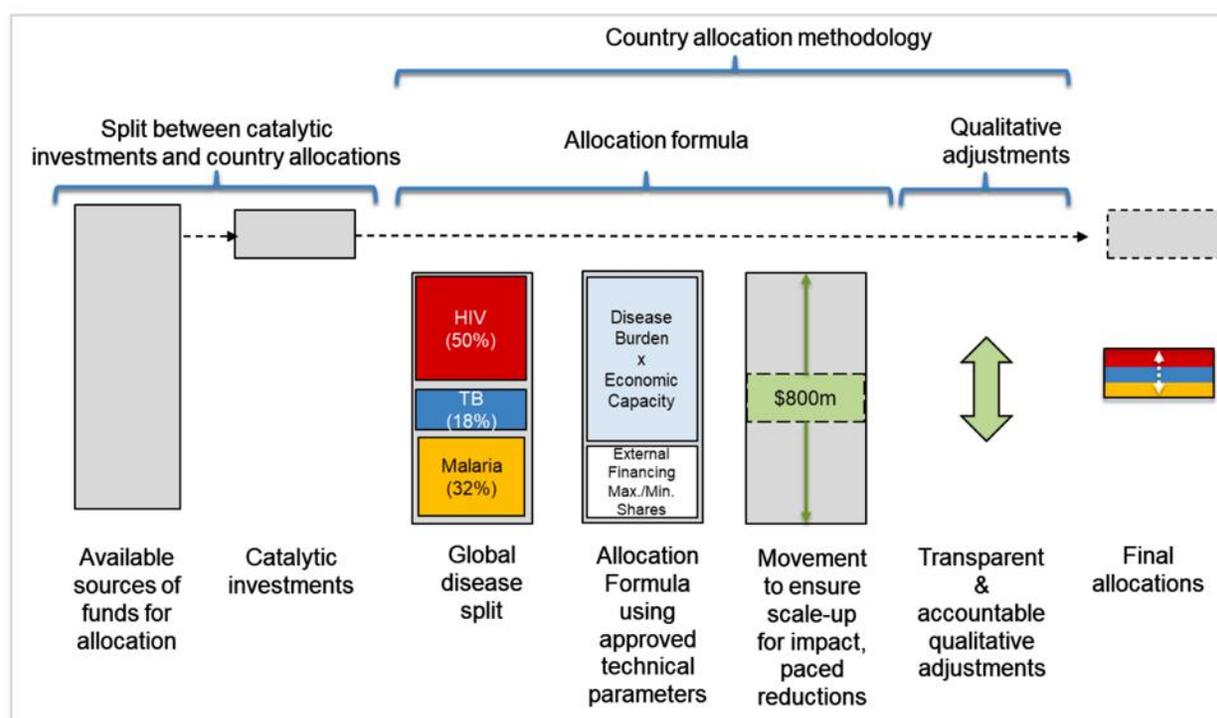
Methodology is similar to those used for 2017-2019 and 2014-2016 periods

David Garmaise

16 May 2019

The allocation methodology for the 2020-2022 allocation period approved by the Board at its meeting on 15-16 May looks a lot like the methodologies used for 2017-2019 and 2014-2016. For the most part, the changes were relatively minor. The only significant change involved refinements to the disease burden indicators for malaria for the allocation formula (see below).

Figure 1: Overview of the allocation methodology



Source: Global Fund. Board Document GF/B41/02

The allocation methodology for 2020-2022, described in Board paper GF/B41/02, was recommended to the Board by its Strategy Committee.

According to the paper, in a review of the allocation methodology completed in July 2018 the Technical Evaluation Reference Group, the Technical Review Panel and the Global Fund Secretariat concluded that the allocation methodology “is working and [is] effective.”

The Board paper said that the methodology prioritizes funding for high-burden and low-income countries at all funding levels. For the 2020-2022 period, the paper stated, “the allocation formula is expected to distribute approximately 50% of the funding to low-income countries.” This is similar to what happened in 2017-2019.

The amount of money available for country allocations won’t be known until after the Sixth Replenishment pledging conference scheduled for October 2019 in Lyon, France. Nevertheless, the Board decided that up to \$800 million of the funds available for country allocations will be used to top up (a) components that had previously received more funding than the allocation formula indicates they are entitled to, so as not to cause these components too steep a drop in allocation (the Global Fund refers to these as “paced reductions”); and (b) components that had previously received less funding than the formula calls for.

(This \$800 million should not be confused with the funds earmarked for catalytic funding which, for 2017-2019, also amounted to \$800 million. See [separate article in this issue](#) on catalytic funding for 2020-2022.)

Responsibility for decisions on the allocation methodology and related matters is split between the Board and its Strategy Committee (SC). Some aspects of the methodology have already been determined. The plan is to have all decisions concerning the methodology made in time to finalize the allocations for each country and component before the end of December 2019. See Table 1 for the timeline.

Table 1: Timeline and responsibilities for the roll-out of country allocations for 2020-2022

Date ¹	Activity	Responsibility
March	Technical parameters for the allocation formula determined	SC
May	Global disease split confirmed	Board
May	Allocation methodology adopted	Board
May	Funding reserved for scale-up and paced reductions	Board
July	Qualitative adjustments methodology determined	SC
November	Decision re how much funding is available for country allocations	Board
December	Countries advised of their allocations	Secretariat

¹ All dates are in 2019.

Technical parameters

The technical parameters were approved by the SC in March 2019. They include the disease burden indicators for the allocation formula; the country economic capacity (CEC) indicator (formerly referred to as the income level indicator); minimum and maximum shares; and the external financing adjustment. (See Table 2.)

Table 2: Technical parameters for the allocation formula

Parameter	Specification
HIV burden indicator	Number of people living with HIV (PLHIV) <i>Latest available data</i>
TB burden indicator	[1*TB incidence] + [10*MDR-TB incidence] <i>Latest available data</i>
Malaria burden indicator	[1 * number of malaria cases] + [1 * number of malaria deaths] + [0.05 * malaria incidence rate] + [0.05 * malaria mortality rate] <i>Latest available data for the average values between 2000–2004</i> <i>No. of malaria cases and deaths adjusted by latest Population-At-Risk (PAR) ratio:</i> <i>PAR (latest year) / PAR (2000-2004 average)</i> <i>All indicators normalized</i>
Country economic capacity indicator	Weighting determined by GNI per capita and smooth CEC curve <i>Latest available data</i>
Maximum shares	10% funding at a disease level; 7.5% funding at a country level
Minimum shares	\$500,000 per component, subject to assessment of the impact that could be achieved, contribution towards achieving strategic objectives, and ability to efficiently manage such programs with differentiated and simplified grant-management processes
External financing adjustment	Projections discounted by 50% for data quality; can influence country allocations by up to 25%

The SC made some refinements to the malaria burden indicator; the HIV and TB burden indicators remain unchanged.

For malaria, the SC decided that historical data would continue to be used to reflect the potential for malaria transmission in the absence of control interventions. However, the committee approved two adjustments to the disease burden indicator:

- Incorporate the latest population-at-risk data to account for country differences in population growth since the period of peak burden; and
- Replace the original baseline year of 2000 with the average of 2000-2004 to better capture each country’s relative malaria transmission potential, given that countries reached peak burden at different times.

The Global Fund estimates that these changes will have a small overall effect, shifting less than 2% of funds among components within the malaria “envelope” when compared to 2017-2019.

The SC left unchanged the parameters for minimum and maximum shares, and external financing.

Global disease split

The allocation methodology retains the global disease split used in the previous methodologies: HIV 50%, TB 18% and malaria 32%. This split is used to calculate the proportion of the total country allocations that is allotted to each disease.

“While committee members expressed different views on the global disease split,” the Board paper stated, “the Strategy Committee ultimately acknowledged that maintaining the current disease split for the 2020-2022 allocation period was the most feasible option to avoid critical programmatic gaps that would likely result from significant shifts in the distribution of Global Fund investments across diseases.”

The SC requested that the Secretariat incorporate a disease split analysis into planning for future allocation periods and the development of the next Global Fund strategy.

Qualitative adjustments

For the 2017-2019 allocations, the qualitative adjustments were applied in two stages. Stage 1 involved adjustments to account for epidemiological considerations that could not be adequately addressed when applying the allocation formula. For HIV, for example, an adjustment was applied to account for key populations disproportionately affected by HIV in low prevalence settings. For malaria, a cap of \$6 per person at risk was applied in countries with a population at risk of less than one million, to account for settings with low endemicity of malaria.

Stage 2 involved a holistic adjustment (up or down) to account for programmatic and other contextual factors. In 2017-2019, the factors considered during the qualitative adjustment process included potential for impact; potential for absorption; the cost of essential programming; HIV incidence rates in lower prevalence countries; and sustainability and transition considerations.

According to the paper provided to the Board, certain factors from the 2017-2019 allocation period will continue to be important considerations for 2020-2022, such as the key populations adjustment in Stage 1, as well as the cost of essential programming, potential for impact and potential for absorption in Stage 2. “The Secretariat will work on refining these factors, including HIV incidence, to ensure the best available data is used and adjustments are made holistically to reflect country contexts,” the paper said. The Secretariat is considering other potential factors, such as fiscal space and how refugee population needs are accounted for. The qualitative adjustments methodology and process will be decided at the Strategy Committee’s July 2019 meeting.

Contents of the Board paper

Board Document GF/B41/02 contains the precise wording of the decision points adopted by the Board. In addition, the annexes of this document include the following:

- The full text of the allocation methodology approved by the Board;
- A description of the technical parameters in the allocation methodology;
- A description of the allocation methodology using tracking to show the changes from the previous methodology;
- A note explaining the changes to the allocation methodology; and
- Recommendations from technical partners concerning the disease burden indicators.

Board Document GF-B41/07 (Recommendation to strengthen the Committee Selection Processes) should be available shortly at <https://www.theglobalfund.org/en/board/meetings/41/>.

***Editor's note:** This article is dated 16 May, which is when this article was uploaded into our automated system. The article was not published until 17 May, the day following the Board meeting. This respects our agreement with the Global Fund concerning when we publish articles that are based on the content of the Board papers.*

Board Document GF/B41/02, Allocation Methodology for the 2020-2022 Allocation Period, should be available shortly at www.theglobalfund.org/en/board/meetings/41.

[TOP](#)

3. NEWS: Global Fund Board approves 26 catalytic funding priorities for 2020-2022

A decision on budget awaits outcome of Sixth Replenishment pledging conference

David Garmaise

16 May 2019

The amount of funding set aside for catalytic investments for 2020-2022, the next allocation period; which catalytic priorities will be funded; and to what extent they will be funded, will all depend on how much money is available for allocation following the Global Fund's Sixth Replenishment pledging conference in October 2019.

At its meeting on 15-16 May, the Global Fund Board approved 26 catalytic priorities (see the table for a list) and a budget for each one, based on a recommendation from its Strategy Committee (SC). The total cost for all 26 priorities is \$894.0 million. Because the Board is approving the catalytic priorities now, the Secretariat is able to begin planning for their implementation. For the 2017-2019 replenishment period, the priorities were approved six months later in the funding cycle, just one month before countries received their allocation letters, which created more than a few challenges.

But the Global Fund won't know how much money will be available for catalytic priorities until after the pledging conference. As a result, the Board decision spells out five potential scenarios. Which scenario is eventually applicable will determine which catalytic priorities will be funded and what the budget will be for each one.

The scenarios are as follows:

- If funds available for allocation are equal to or greater than **\$13.1 billion**, **\$900 million** will be made available for catalytic investments, as per the priorities and associated costs outlined in **Table 1** of GF/B41/03 – Revision 1 (Annex 1).
- If funds available for allocation are below **\$13.1 billion** and equal to or greater than **\$12.1 billion**, **\$800 million** will be made available for catalytic investments, as per the priorities and associated costs outlined in **Table 2** of GF/B41/03 – Revision 1 (Annex 1).
- If funds available for allocation are below **\$12.1 billion** and equal to or greater than **\$11.1 billion**, **\$600 million** will be made available for catalytic investments, as per the priorities and associated costs outlined in **Table 3** of GF/B41/03 – Revision 1 (Annex 1).
- If funds available for allocation are below **\$11.1 billion** and equal to or greater than **\$10.6 billion**, **\$400 million** will be made available for catalytic investments, as per the priorities and associated costs outlined in **Table 4** of GF/B41/03 – Revision 1 (Annex 1).
- If funds available for allocation are below **\$10.6 billion** and equal to or greater than **\$10.1 billion**, **\$200 million** will be made available for catalytic investments, as per the priorities and associated costs outlined in **Table 5** of GF/B41/03 – Revision 1 (Annex 1).

For each scenario, once the amount reserved for catalytic investments is determined and deducted from the funds available for allocation, the remaining funds will be used for country allocations. For example, if \$10.8 billion is available for allocation, \$400.0 million will be earmarked for catalytic investments and the balance, \$10.4 billion, will be used for country allocations.

The Global Fund recently launched its Sixth Replenishment. A pledging conference will take place in Lyon, France in October 2019. The Fund has set a target of \$14.0 billion for the replenishment. Readers should note, however, that funds raised during a replenishment drive are not the same as “funds available for allocation.” Funds raised from the replenishment are subject to several adjustments — such as to cover the Fund’s operating costs — before the amount available for allocation to countries can be determined.

For the 2020-2022 allocation period, the sources of funding available for allocation will be identified by the Audit and Finance Committee following the pledging conference.

In its decision, the Board also said that should the funds available for allocation be below \$10.1 billion, the Secretariat will return to the Strategy Committee with a new recommendation for catalytic investments.

The Board approved a provision whereby the Secretariat may recommend that the Board approve an additional \$100 million for catalytic investments if the funds available for allocation are above the midpoint of the funding range for any one of the scenarios outlined above.

The Board also approved – just one day before the meeting began – an amendment to the Decision Point, proposed by the United States’ and the Developing Country NGOs’ delegations, to include a rigorous approval, technical review and regular reporting (to the Strategy Committee) process for all catalytic investments, including Strategic Initiatives. The purpose of instilling greater rigor into the approval process is to manage conflicts of interest and thus maintain the integrity of decision making.

Finally, the Board said that the Secretariat will have the flexibility to reallocate costs among the various catalytic priorities, providing the costs of the investments being reallocated are within 10% of the budget for a specific priority. Reallocations exceeding 10% need to be approved by the SC.

For space reasons, the GFO is unable to reproduce in this article the five tables mentioned in the Board decision. Readers are advised to consult Annex 1 of Board Document GF/B41/03 – Revision 1.

Board Document GF/B41/03 – Revision 1, Catalytic investments for the 2020-2022 allocation period, like other documents prepared for the 15-16 May 2019 Board meeting, should be posted shortly at:
www.theglobalfund.org/en/board/meetings/41.

Board-related documents are usually posted to the Global Fund website within two weeks after the meeting.

Catalytic priorities

The catalytic investments in 2020-2022 will once again have three modalities: strategic initiatives, matching funds and multi-country approaches.

To identify the priorities for catalytic investments for the 2020-2022 allocation period, the SC defined a prioritization approach and the Secretariat undertook extensive consultations with partners.

The paper prepared for the Board by the SC described the core themes that guided the choice of catalytic priorities. For HIV, the catalytic priorities focus on prevention to reduce incidence and on enhancing program quality and effectiveness. The TB catalytic investments focus on progressing towards the U.N. High Level Meeting target of finding and treating 40 million people by 2022. For malaria, the catalytic priorities respond to critical threats of drug and insecticide resistance, and contribute to malaria elimination.

For RSSH, the catalytic priorities support system investments that contribute to catalyzing progress against the three diseases, including strengthening data systems; procurement and supply management systems; service delivery innovations; and community and civil society engagement. Cross-cutting investments include removing human rights barriers in the context of the three diseases; supporting sustainability, transition and efficiency; and funding critical contingency measures through the Emergency Fund.

The Board approved 26 catalytic priorities (see Table 1 below) and their associated budgets. Depending on the funding scenario that will be applicable, however, some of the priorities may not be implemented or, if they are implemented, they may have a reduced budget.

Table 1: Catalytic investments for 2020-2022, by funding scenario

<i>Column 1</i> Priorities for \$200 m scenario	<i>Column 2</i> Priorities for \$400 m scenario <i>Priorities in Columns 1+2</i>	<i>Column 3</i> Priorities for \$600 m scenario <i>Priorities in Columns 1+2+3</i>	<i>Column 4</i> Priorities for \$800 m and \$900 m scenarios <i>Priorities in all four columns</i>
HIV			
	Adolescent Girls and Young Women (MF) Scaling Up Community-Led Key Population Programs (MF/MC)	Key Populations and Sustainability (MC) Differentiated HIV Service Delivery (SI) TB Preventive Treatment for PLHIV	Condom Programming (SI)
TB			
Finding Missing People with TB, including Drug-Resistant TB and Preventive Treatment (MF)	Targeted TA for innovative approaches to finding missing people with TB (SI)	TB Multi-Country Approaches (MC)	
Malaria			
Addressing Drug Resistance in the Greater Mekong Sub-Region (MC) Accelerated Introduction of New Nets (SI)		Malaria Elimination in Southern Africa (MC) Regional Coordination and Targeted TA for Implementation and Elimination (SI) Malaria Elimination 2025 Initiative (SI)	RTS,S Vaccine (SI)
RSSH & Cross-Cutting			
Data (SI) Community, Rights and Gender (SI) Human Rights (MF + SI) Emergency Fund (SI)	Sustainability, Transition and Efficiency (SI) PSM Transformation (SI)	Service Delivery Innovations (SI) Accelerated Introduction of Innovations (SI) CCM Evolution (SI)	Innovative Finance (SI)

SI = Strategic initiative | MF = Matching funds | MC = Multi-country
Bold font indicates new priority

As the table indicates, four of the catalytic priorities are new. They were selected based on challenges encountered in the implementation of grants in the 2017–2019 allocation period; on programmatic gaps; and on emerging risks to achieving the Strategy targets that cannot be fully addressed through allocations alone.

The Board paper provides the example of TB preventive treatment (TPT) for people living with HIV. This emerged as a priority strongly supported by both TB and HIV partners because, despite being cost-effective and recommended by the World Health Organization since many years ago, the uptake of TPT has been slow, as evidenced by a significantly under-performing key performance indicator. This lack of progress, the paper said, has created a wide gap with respect to the post-U.N. High-Level Meeting target of six million people living with HIV receiving TPT by 2022. The proposed catalytic investment aims to incentivize the uptake of TPT in HIV programs, complementing the Global Fund’s other investments in TPT through the TB matching funds and country allocations.

Annex 2 of Board Document GF/B41/03 – Revision 1 contains detailed descriptions of all 26 catalytic priorities and budget ceilings for each.

Four catalytic priorities from 2017-2019 are not being retained for 2020-2022:

- Data (matching funds)
- Developing local PSM resources (strategic initiative)
- Malaria elimination — Mesoamerica (multi-country)
- Innovation Challenge Fund (strategic initiative)

Data (matching funds) is being discontinued because (a) the Global Fund considers that the catalytic effect of this funding has been limited given that data investments in country allocations and from other funders are significantly greater; and (b) because these investments will likely continue in the 2020-2022 allocation period.

According to the paper prepared for the Board, the initiatives related to Data (matching funds) and Developing local PSM resources will be supported with targeted funding from other strategic initiatives approved for 2020-2022. In addition, the emphasis will be on optimizing these investments through other policy levers, such as improving the quality of funding requests or ensuring that these priorities are well-addressed in national strategic plans.

The Mesoamerica initiative is being discontinued because the 2017-2019 multi-country grant pooled funds with contributions from other funders to launch a joint financing facility for malaria elimination in the region, thus enabling it to operate until 2022.

(Note that there is a second catalytic funding priority called “Data.” It is a strategic initiative under RSSH & Cross-Cutting.)

The Board paper states that the Secretariat will “refine the operationalization” of the catalytic investments, building on emerging evidence and lessons learned from the implementation of these investments in 2017-2019. The Secretariat has established several objectives for the operationalization, including the following:

- Improve the funding request process;
- Encourage applicants to develop sustainability plans so that after the 2020-2022 allocation period, these investments can either be mainstreamed into country allocations or funded with domestic resources; and
- Reduce transaction costs.

Board Document GF/B41/03 – Revision 1, Catalytic Investments for the 2020-2022 Allocation Period, should be posted shortly at:
www.theglobalfund.org/en/board/meetings/41.

Editor’s note: This article is dated 16 May, which is when this article was uploaded into our automated system. The article was not published until 17 May, the day following the Board meeting. This respects our agreement with the Global Fund concerning when we publish articles that are based on the content of the Board papers.

[TOP](#)

4. NEWS: Global Fund resource mobilization efforts on track in leadup to Sixth Replenishment, Board is told

External relations director emphasizes importance of civil society and communities’ roles

Adèle Sulcas

16 May 2019

The Global Fund’s Director of External Relations, Françoise Vanni, presented to the Board an update on the Global Fund’s resource mobilization efforts at the Board’s 41st meeting, held in Geneva on 15-16 May.

Vanni’s presentation to the Board consisted mainly of a progress update on the Fund’s campaign for the Sixth Replenishment and its Pledging Conference, which will take place in Lyon, France, in October 2019, hosted by French President Emmanuel Macron. The update addressed progress made since the last update to the Board in November 2018, the key priorities leading up to the Pledging Conference, key risks, and the Fund’s approach to managing them.

Progress made since November 2018

The summary of progress the Fund has made so far towards its resource mobilization strategy and the Sixth Replenishment included the launch of the Summary Investment Case – and the overall target of at least \$14 billion – on 11 January in Paris, in the presence of French President Emmanuel Macron, French Health Minister Agnes Buzyn, and WHO Executive Director Dr Tedros Adhanom Ghebreyesus; the launch of the Private Sector resource mobilization target (\$1 billion) at the World Economic Forum meeting in Davos, Switzerland, in January; the completion of the Preparatory Meeting held in New Delhi, India on 7-8 February, where the full Investment Case was launched; the Africa Leadership Meeting held in Addis Ababa, Ethiopia on 9 February, at which African leaders expressed commitment to increase investment in health and support for the Replenishment; the launch of the #Love More Give More campaign by GFAN Asia Pacific and deployed in more than 45 countries, engaging the support of communities living with the three diseases; and the Global Fund’s mobilization for TB Day (24 March 2019) and Malaria Day (25 April 2019).

Vanni told the GFO separately that she considered the launch of the full Investment Case (IC) in India to be a key achievement in the progress made so far in resource mobilization, in that it was the first preparatory meeting for a Replenishment held in an implementing country, and had been effective in “showcasing how implementing countries can take the lead in the fight against the diseases.”

Key priorities leading up to October Pledging Conference

With five months to go until the October meeting, Vanni described the Sixth Replenishment campaign as now entering a second and more intensive phase, focused on further expanding the Investment Case’s messages and themes, as the Fund deploys a multi-faceted communications campaign to mobilize broad political and public support; securing additional early pledge announcements; ongoing advocacy and mobilization of Champions for the Global Fund Replenishment as well as for domestic resource mobilization; and managing risks identified in the Organizational Risk Register.

Vanni outlined the Fund’s key priorities in the remaining months before the Sixth Replenishment, noting that the related workstreams are all on track; the Secretariat’s Replenishment communications plan, which is tailored for specific donor markets and focuses on key moments in the campaign, has been deployed; that collaborations with key advocacy partners were well underway; and that coordination with the French Government – and leveraging France’s G7 Presidency – were “paramount” to a successful Replenishment.

Speaking with the GFO just before the Board meeting, Vanni re-emphasized the critical nature of partnership for a successful Replenishment, as well as civil society’s and communities’ roles in making their voices heard to amplify the Investment Case’s messages. “I’m really seeing that in action – it helps keep the momentum really high to support the Replenishment in a very powerful manner,” Vanni said.

Vanni described the Investment Case as “strong in terms of its substance”, and in its positioning the Global Fund as part of the Global Action Plan towards the achievement of SDG 3 (the health-related Sustainable Development Goal). Building on her point about the role of civil society and communities, Vanni said it was very important that the Fund position

itself together with other partners. The IC was also strong in terms of emphasizing that “we need to step up the fight – but we also need to do things differently, because ‘business as usual’ is not enough.”

Key risks and how the Fund is managing them

The update to the Board states that the most significant risks to replenishment (or future funding) are factors that might weaken support from major donors, such as loss of donor confidence, reputational damage, or external factors that are out of the Global Fund’s control. The Board paper notes that these risks remain broadly the same as those reported to the Board at the last Board Meeting. Risk drivers, as defined in the Organizational Risk Register, include perceived underperformance or lack of responsiveness to donor requirements or priorities, and perceived lack of coordination/collaboration with global health partners.

Vanni told the GFO that from her perspective, mitigating these risks relies on two things: first, the Fund’s performance (“how compelling is our case in terms of achieving results?”) and second, on partnership (“there is no risk that we can mitigate or manage by ourselves”). She underscored the importance of building and maintaining trustworthy and communicative relationships with all the Fund’s partners, including donors, implementing countries, civil society, and Board members.

Decision Point on Restricted Financial Contributions

The Resource Mobilization session, which took place on the first day of the meeting, also saw the approval of a Decision on Restricted Financial Contributions, intended to maximize private sector engagement and advance towards the Global Fund target for private sector contributions to the Sixth Replenishment of \$1 billion. The Global Fund has said that it wishes to make it easier for private-sector partners to engage with the Fund. This amendment aims to allow restricted funding for catalytic priorities, as well as for important gaps in some grants, both Board approved.

The Audit and Finance Committee will continue to provide close oversight and monitoring of the conditions around restricted financial contributions.

The relevant Decision Point can be found at

https://www.theglobalfund.org/media/8456/bm41_decisionpoints_report_en.pdf

Board Document GF/B40/17 (Resource mobilization and replenishment) should also be available shortly at <https://www.theglobalfund.org/en/board/meetings/41/>.

Editor’s note: *This article is dated 16 May, which is when this article was uploaded into our automated system. The article was not published until 17 May, the day following the Board meeting. This respects our agreement with the Global Fund concerning when we publish articles that are based on the content of the Board papers.*

Further reading:

- [‘Step up the Fight: Investment Case, Sixth Replenishment 2019’](#)
- Board Document GF/B37/28: [Action Plan for ongoing resource mobilization through the Replenishment cycle](#)

- *Decision Point GF/B38/DP07: [Resource Mobilization Action Plan 2018-2019](#).*

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5. NEWS: New OIG Advisory Report on grant implementation in Western and Central Africa identifies room for improvement

Secretariat Action Plan undertakes to review existing policies that limit adaptation to country context

Christelle Boulanger

17 May 2019

The OIG team that recently conducted a study on grant implementation in Western and Central Africa (WCA) presented its Advisory Report at a special information session during the ‘Pre-Day’ meeting of the Global Fund’s 41st Board meeting, on May 14.

The report highlights both the major challenges that the countries of this region face (the availability of human resources for health, political and economic limitations, limited fiscal space to mobilize domestic resources, weak health systems, among others), and the performance and results achieved. Results show significant progress in malaria (31% reduction in malaria deaths between 2010-2016), HIV (27% reduction in AIDS deaths between 2010–2017) but highlight the relatively poor performance in tackling TB (5% increase in TB deaths between 2010-2016).

The report is divided into 3 main areas: the analysis of the environment in the region, the Global Fund grants’ implementation and performance, and the key areas that need to be strengthened to improve the situation. It has covered – and made recommendations to address – five main issues affecting grant performance: Global Fund processes, implementation arrangements, technical assistance, and RSSH and access to health.

The report shows that the West and Central African region has achieved a better absorption of the funds with an overall rate of 77% for the grants in the region compared to the rest of Africa (74%), and to the global rate (71%). The OIG report mentioned several key limitations to countries’ budget utilization, such as:

- The Challenging Operating Environment Policy is not effectively operationalized - standard GF policies and processes still drive how grant management is performed.
- Additional safeguards have led to an imbalance between financial and fiduciary risk mitigation measures and grant implementation: specifically, they pointed out (i) a conflicted role for the fiscal agent, (ii) zero-cash policy is not differentiated and thus adapted to each country context, and (iii) a lack of regular assessments and exit plans that the Secretariat is supposed to perform. The absence of a regional approach to

grant management limits the Global Fund's ability to engage in and leverage external regional reviews/initiatives, and to share regional knowledge internally.

- Limited granular data is available from support functions (Technical Assistance and Partnership, Resilient and Sustainable Systems for Health, Community Rights and Gender, etc.) to support decision-making at the regional level.
-

As part of the set of solutions that may help to improve implementation, the OIG has requested the Secretariat to review the procedures that aim to reduce risk and adapt the principle of differentiation and flexibilities for Challenging Operating Environments.

There has been a general appreciation for the quality of the report, in that it acknowledges the difficulties faced by the WCA countries, and analyses objectively the impact of procedural limitations on the implementation of the grants. The African Constituency Bureau (ACB) delegation has welcomed this report, which was released in March this year, and the quality of the analysis and the evidence shown.

The ACB has expressed its intention to take ownership of the report's conclusions and recommendations and has announced a delegation meeting to be held at the beginning of July in Dakar. They plan to perform a more refined analysis, country by country, and open a transparent dialogue with the Secretariat on the measures to be taken in the new grant cycle.

The Secretariat has announced its intention to better fine-tune the balance between the necessary measures to mitigate financial risks, and the need to give more flexibility to countries to implement grant activities. A Secretariat Summary Action Plan describes how country teams, supported by the Secretariat's risk teams, will review the policies in place and assist to make the process easier.

The African Constituency Bureau released a statement on the pre-day of the Global Fund's Board that acknowledges the publication of the report, expresses several concerns, and insists on the need for:

1. A baseline assessment for each country operating under an Additional Safeguard Policy (ASP)
2. A review of the implementation modalities for the next grant allocation cycle (2020-2022), discussed in advance with countries to ensure their effectiveness and optimal success;
3. The full implementation of existing flexibilities for Challenging Operating Environments;
4. A review of the positive, negative and net impacts of Additional Safeguards on grant implementation and impact, for each country still dealing with such safeguards, as well as time-bound plans to redress the negative impacts and exit ASPs, where possible;
5. Time-bound plans to build capacity and ultimately transfer the designation of Principal Recipient (PR) from expensive UN or INGO PRs to national actors (without placing outgoing PRs in charge of executing the transfer-oriented capacity building);

6. Prioritize WCA countries for the rollout of existing GF tools to assist countries in addressing Community, Rights and Gender dimensions of the health inequities that plague the region;
7. Adapting the allocation methodology, including qualitative adjustments, to take account of the inequities identified in the OIG’s report on WCA. According to the ACB delegation, lower-absorption countries should be supported to absorb and catch up.
8. Prioritize countries with lower service coverage for scale-up in the next allocation cycle, so that they may catch up with their peers, and so as to reduce inequities in treatment access and disease survival across countries.

The GFO and the OFM will publish a series of articles in future editions that will be dedicated to further analysis of the WCA report, the recommendations issued by the OIG, and the way the Secretariat and countries in the region will conduct proactive follow-up and implementation of the OIG’s recommendations.

Editor’s note: OIG Advisory reports are not subject to mandatory public disclosure; whether or not they are published is at the discretion of the Inspector General and, in this case the Executive Director of the Global Fund, who has agreed to publish the report in full. The OIG Advisory review, “Grant Implementation in Western and Central Africa: Overcoming barriers and enhancing performance in a challenging region,” is expected to be published on the OIG section of the Global Fund website within ten days of the completion of the 41st Board meeting.

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6. NEWS: Global Fund continues efforts to enshrine community engagement, human rights, and gender equality in programs and processes

Community, Rights and Gender report to Board describes progress highlights

Charlie Baran

16 May 2019

The fifth Community, Rights and Gender Report was presented to the 41st Global Fund Board Meeting this week in a ‘Pre-Day’ session on May 14. The report appears light on metrics (though these are reported through Strategic Performance Reporting) and heavy on themes, which could reinforce some conceptions that progress made in this line of work is hard to quantify and that it is therefore difficult to examine results and determine value-for-money. Nonetheless, the 22-page report does outline how the Fund approaches this multi-faceted aspect of its work, and highlights a slate of case examples, in addition to including detailed key performance indicator results in the annexes, for those seeking quantifiable evidence.

The report states that the Secretariat is “systematically reflecting on how the Global Fund can apply a community, human rights, gender and key populations lens to all aspects of its work”. It describes how the Global Fund operationalizes its commitment to community engagement and systems, and to promoting human rights and gender equity, including through the \$15-million, three-year Community, Rights and Gender Strategic Initiative (CRG-SI).

The strategic initiative, which is implemented through long-term capacity building and short-term technical assistance programs, as well as regional coordination platforms, is perhaps a beacon of the Global Fund’s CRG work, which is headed by Kate Thomson. But, Thomson told the GFO, the CRG-SI, per se, “represents only a fraction of what the Global Fund is doing to advance these different areas.” Other key mechanisms for advancing community engagement, human rights, and gender equity include catalytic and matching funds opportunities for some country grants, and internal and external partnerships with a range of departments at the Fund, and organizations working at global, regional, and national levels, among others.

In this article we summarize the key points of the CRG report to the Board.

‘Leaving no one behind’

For the Global Fund, “leaving no one behind” in the responses to HIV, TB, and malaria is more of a guiding principle than a specific initiative – but it is central to its role in “advancing and reinforcing Universal Health Coverage (UHC) and progress towards the Sustainable Development Goals (SDGs),” according to the CRG Report. This includes understanding where service gaps or barriers are, and developing and deploying targeted solutions. As examples of what the Fund is doing in this regard, the report offers six short case studies that illustrate its focus on “investments in the right places for the right people so that no one is left behind”.

One such example is the Fund’s investments in South Africa focusing on integrated, multi-sectoral responses for adolescent girls and young women (AGYW). These investments include more than \$78 million targeted to combination HIV prevention for AGYW. The focus on this population aligns with PEPFAR investments through the [DREAMS](#) program, thereby aiming for greater catalytic effect as well. In 2019, the program aims to reach 188,000 AGYW in 12 key districts with “a defined core package of services.” These also include life-skills training, PrEP for AGYW, self-testing for at-risk young men, and strengthening school management structures to better support HIV interventions (See [GFO article](#) from 27 Feb 2019). AGYW are a priority population for Global Fund grants in at least 13 sub-Saharan African countries.

As part of the 20-country [Breaking Down Barriers](#) human rights-focused initiative, in Tunisia the Global Fund’s financing for programs to reduce human rights-related barriers to HIV services has grown 200% from the previous allocation cycle. This funding supports baseline and ongoing assessments of human rights abuses and barriers to services, and effective strategies for addressing them in the Tunisian context, where the HIV epidemic is concentrated among key populations.

Person-centered systems for health

The CRG report states that while community engagement is generally recognized as integral to improving health outcomes, community systems and responses remain under-utilized. In recognizing, in its 2017-2022 Strategy, that resilient and sustainable systems for health (RSSH) underpin healthy and stable communities, in 2018 the Global Fund undertook several activities to expand its role as a thought leader in this area – in addition to funding RSSH programs.

These included workshops (at the [Global Symposium on Health Systems Research](#) in Liverpool, England, and a regional workshop in Cote d’Ivoire on community-based monitoring) as well as publications (an overview piece on the importance and dynamics of community responses to HIV, TB, and malaria, and ‘[Focus On: The Crucial Role of Communities](#)’, which provides basic guidance on the role of communities in RSSH).

The Global Fund is prioritizing community-based monitoring (CBM) – with the CRG department convening cross-departmental discussion within the Secretariat on how to further integrate it into Global Fund processes – because of its role in improving oversight, risk mitigation, and greater community ownership of Global Fund grants. The Technical Evaluation Reference Group has recommended that CBM be scaled up, and the Technical Review Panel has made recommendations on the inclusion of CBM in Global Fund grants.

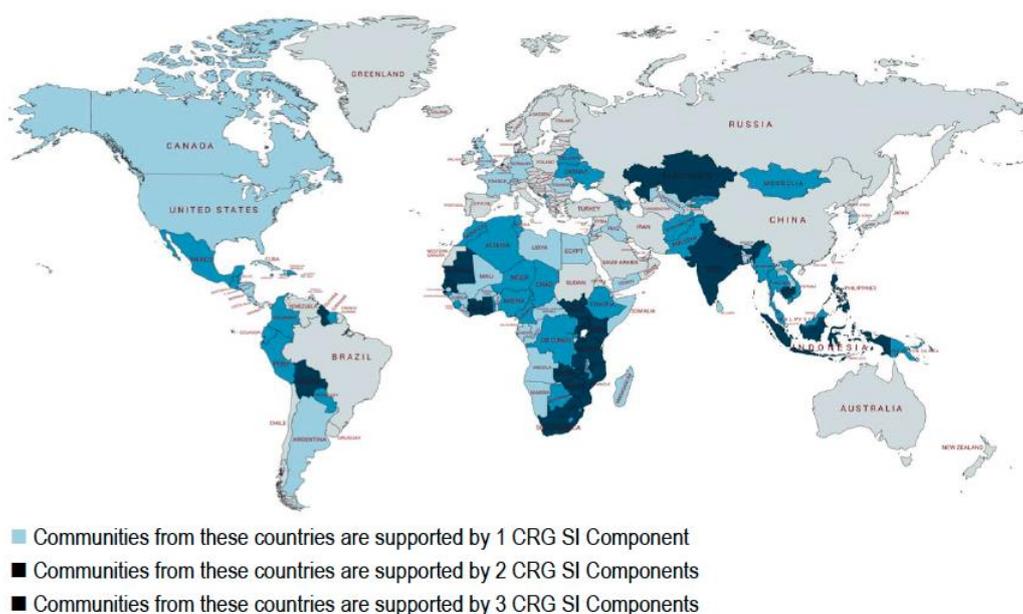
Communities at the heart of Global Fund processes

The CRG report underscores the centrality to the Global Fund model of “empowering people most impacted by HIV, TB and malaria at every point in the grant, strategy, and replenishment cycles”. To this end, the Fund has several teams and programs in place to support the engagement of communities and people impacted by the diseases in its processes, including the CRG Department and the CRG Strategic Initiative, as well as the Civil Society and Political Advocacy Department and the [CCM Evolution](#) project, all working closely with the independent civil-society organization, the [Global Fund Advocates Network \(GFAN\)](#).

The report highlighted two regional activities that sought to put communities at the center of transition planning: a “[learning and sharing forum](#)” for Global Fund grant implementers in the Middle East and North Africa (MENA) organized by the CRG-SI Regional Platform host, International Treatment Preparedness Coalition-MENA; and a multi-component effort in Montenegro to strengthen key populations’ awareness of and engagement with transition planning.

In this ‘Communities’ section of the report, the CRG-Strategic Initiative is discussed at length, on the occasion of the mid-point of its implementation. The CRG-SI is a three-part initiative which supports six Regional Platforms for Coordination and Communication (see [article](#) in GFO 342), the provision of short-term technical assistance to implementers, and long-term capacity building for key population networks. (See Table 1 for CRG-SI outputs.)

Figure 1: Reach of CRG Strategic Initiative



Source: 41st Board Meeting – Community, Rights and Gender Report

Table 1. Community, Rights and Gender Strategic Initiative, outputs

Component	Outputs
<i>1: Demand-driven, community responsive short-term technical assistance</i>	98 technical assistance assignments made since CRG-SI start (July 2017)
<i>2: Longer-term capacity strengthening</i>	36 key population organizations , operating in 66 countries, received capacity strengthening support
<i>3: Regional Coordination and Communication Platforms</i>	6 platforms supported communities in 98 countries to engage in Global Fund-related processes

Looking inward: Managing risk and reinforcing internal capacities

In 2018, the Global Fund Secretariat took steps to strengthen and make more responsive some internal systems related to communities, human rights, and gender equity. The CRG Department, Grant Management Division, Policy Hub, Risk, Legal and Civil Society and Political Advocacy departments collaborated to develop guidance on “Managing Grants in a Human Rights Crisis.” The internal document, which sets out organizational protocols on managing situations internally and with partners, is expected to help the Fund navigate such crises more adroitly in the future.

Another approach to enhancing internal functioning for the benefit of grant performance is the ongoing work the CRG Department is doing to develop a CRG capacity-development strategy for the Secretariat itself. The point of this is to embed CRG expertise within grant management, to systematize CRG expertise, and to mobilize commitment to CRG across the Secretariat.

Partnerships

The report describes a range of various partnerships the Global Fund has been involved with over the past year, including community and civil-society partnerships, technical and bilateral partnerships, foundation and private-sector partnerships, among others. Many of these are long-standing.

We will not list exhaustively all partnerships here (see the report) but highlight the category of newer partnerships that reflect the CRG Department's renewed focus on malaria, as well as cross-sectoral partnerships to advance TB and human rights. The report states that the RBM Partnership to End Malaria has become a key partner in three priority areas, as of September 2018. These are related to strengthening the advocacy capacity of community actors, the dynamics between malaria services and the most vulnerable populations, and promoting a person-centered approach to malaria programming as a pre-condition for UHC.

'Measurement matters'

Finally, the report points to several efforts underway to strengthen reporting and data analysis capabilities in Global Fund grants. One approach involves the Fund working with countries to improve the collection of patient data, and to ensure that collected data is sex and age-disaggregated, to help future programming be better targeted and more responsive. One component of that is investments in Health Management Information Systems (HMIS) in key countries. The Fund has a target of 70% of the 51 High Impact and Core countries in its portfolio to have 80% of their respective health facilities using HMIS by 2020. By the end of 2018, 25% of the countries were using HMIS, which met that year's target, according to the report.

The report also mentions the "rigorous M&E framework" being developed to capture the impact of scaling up programs to reduce human rights-related barriers in the 20 *Breaking Down Barriers* countries. The CRG team plans to share and apply the framework and the lessons learned beyond the 20 countries.

The report concludes with a reflection that much progress in the areas of community engagement, human rights, and gender equality has been made in the context of Global Fund programs and where it has grants. Nonetheless, it says, "much remains to be done. More attention is particularly needed to address gender-related barriers to effect responses across the three epidemics through into costs and funded programs, particularly for TB and malaria."

In a separate statement to the GFO, made during the Board meeting, CRG Department Head Thomson said: "The Community, Rights and Gender Report to the Board is an important

opportunity for the Global Fund Secretariat to provide an update on its progress in these areas on an annual basis. Given the cross-cutting nature of this work, it is always a challenge to capture everything in a short document. Responding to feedback received from a number of constituencies in previous years, we tried out a different structure this year – one that shares more examples of how the efforts of the Global Fund Secretariat, in collaboration with partners, are making a difference in countries for communities affected by the three diseases.

“We were also aware that much of the reporting on progress is now provided through Strategic Performance Reporting, so we kept information on KPI progress relatively short. Similarly, where we have been able to provide information via links or annexes, we have done so. We are keen to get feedback on the focus and level of information the Board would like to see in future reports and posed this question during the CRG session at the Board pre-meeting day, with further discussion anticipated with the Global Fund’s Strategy Committee. All suggestions welcome!”

As part of a decision made on Catalytic Investments (GF/B41/DP04), the Global Fund Board voted to continue to support the CRG Strategic Initiative, as one of 26 catalytic funding priorities defined for the 2020-2022 allocation period. The amount of funding the CRG-SI will receive will depend on which funding scenario (of five outlined in the Catalytic Investments decision) is achieved in the Sixth Replenishment.

Further reading:

- *From GFO 354 (17 April 2019), [article on a case study](#) examining how the CRG-SI has advanced Global Fund objectives*
- *From GFO 342 (17 September 2018) [article on the six regional platforms](#) supporting the CRG-SI*

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7. NEWS: Global Fund has achieved generally positive results against its performance targets, report to 41st Board says

Absorptive capacity improved; number of new infections and cases is one area needing improvement

David Garmaise

16 May 2019

The Global Fund has achieved generally positive results against its key performance indicator (KPI) targets, according to a report on strategic performance prepared for the Board meeting on 15-16 May.

The number of lives saved in 2017 by the Global Fund partnership was 5.1 million, the report said. This puts the Fund on track to meet the target of 29 million lives saved for the six-year duration of the Global Fund Strategy 2017-2022.

The report said that there was strong performance on Strategic Objective 2 (Build Resilient and Sustainable Systems for Health) and Strategic Objective 4 (Mobilize Increased Resources); and that there has been recent progress but also continuing challenges on Strategic Objective 3 (Promote and Protect Human Rights and Gender Equality).

Significant improvement is needed on incidence reduction, the report said. At current funding levels, and in the absence of sufficient progress, there is a risk of not meeting the target: a reduction in new infections/cases of 38% by the end of the Strategy 2017-2022. In 2017, the reduction was 6%. The report said that if recent trends continue, the expected decline by 2022 will reach only 21%. However, the Global Fund said, the target could still be reached if the Sixth Replenishment is successful.

The report said that the focus going forward should be on bending incidence curves down by accelerating new tools and strengthening the implementation of existing ones; supporting higher HIV prevention and treatment coverage; continuing to find missing TB cases; and improving vector control and case management for malaria.

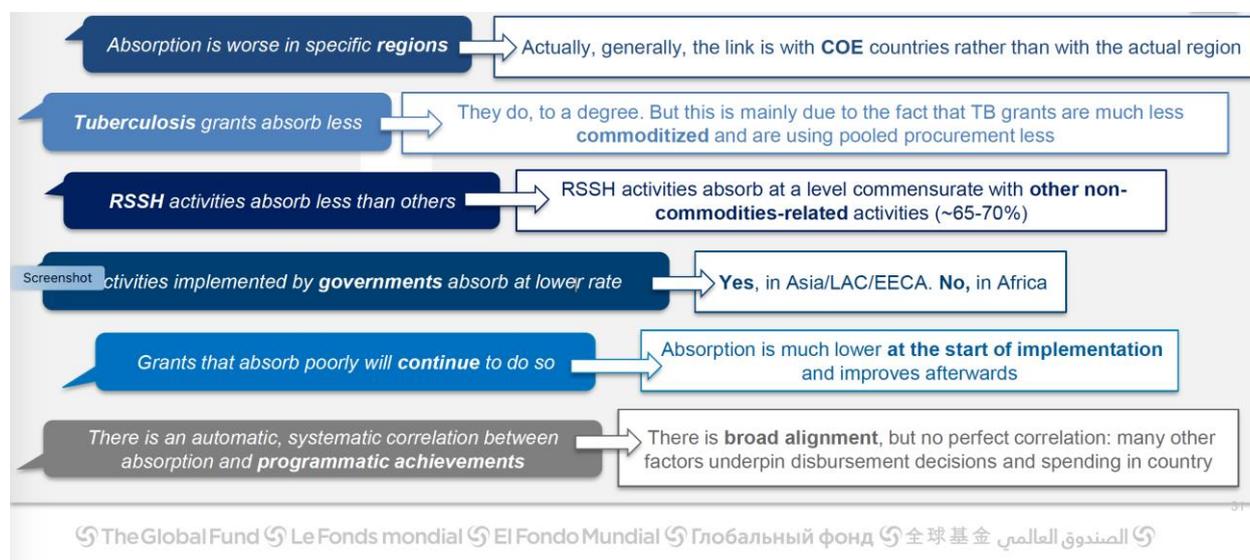
Performance on grant operations and financial indicators has been good, the report said. Grants are being signed promptly; funding is aligned to needs; and, at 75%, absorption rates have already reached the 2022 target.

In the balance of this article, we report on what the performance report said concerning absorptive capacity; other key findings in areas such as human rights and the availability of health technologies; KPIs at risk of missing their targets; and other miscellaneous findings. We also provide information on a pilot project involving reporting country-level performance. Finally, there is a section at the end of the article on the format of the performance report.

Absorptive Capacity

The 75% absorption target is part of KPI 7b. In the performance report, the Global Fund provided additional information on this KPI. The Fund said that common assumptions about absorption are not always correct (see Figure 1).

Figure 1: Common assumptions regarding absorption



Source: Global Fund. GF/B41/14 Strategy Performance Reporting — End 2018

The Fund said that there has been a general improvement in most countries, including in COEs (challenging operating environments), since the last performance report in November 2018. The region with the strongest improvement is West and Central Africa (11% increase in absorption).

The Fund said that in several regions there appear to be differences in absorption among the different types of implementers. Generally, absorption is higher for multilateral organizations, for civil society organizations (i.e. community, NGO) and for private sector implementers, compared to government implementers. However, this does not hold for all regions. In Africa and in MENA (Middle East and North Africa), civil society, private sector and government implementers absorb at similar levels. There is also a slightly better performance for sub-recipients (SRs) compared to principal recipients (PRs).

The report also said that absorption level and programmatic performance are not always aligned. The two are often not measured in the same way. For example, programmatic performance is generally measured at the national level, whereas absorption is based on Global Fund financing only. This can create a disconnect in countries where most of a given program is funded by other sources.

Other key findings

Human rights-related KPIs

KPI 9a — Reduce human rights barriers to services

According to the performance report, in the 20 cohort countries where there is an initiative underway to implement comprehensive programs aimed at reducing human rights barriers to services:

- 18 countries have finalized baseline assessments. The assessments have informed programmatic recommendations and established a measurement framework against which progress will be tracked;
- In nine of the countries, multi-stakeholder meetings have been conducted, resulting in the establishment of working groups developing country-owned plans for a comprehensive response; and
- 17 countries incorporated matching funds into their Board approved-grants. In these countries, there has been a ten-fold increase in the level of human-rights investments.

Board Document GF/B41/14, “ Strategic Performance Reporting – End 2018,” like other documents prepared for the 15-16 May 2019 Board meeting, should be posted shortly at:
www.theglobalfund.org/en/board/meetings/41.

Board-related documents are usually posted to the Global Fund’s website within two weeks of the meeting’s completion.

KPI 9b – Human rights and key populations in MICs

The report stated that whereas 3.4% of HIV grant budgets in middle-income countries (MICs) is invested in programs to remove human rights-related barriers (vs. a 2019 target of 2.9%), only 0.7% of TB grant budgets in selected high-burden MICs have similar investments (vs. a 2019 target of 2.0%).

The Global Fund said that two large grants in high-impact countries are still outstanding and are likely to impact results for this KPI. The Secretariat is providing extensive support to encourage increased investment in these grants.

KPI 9c – Human rights and key populations in transition countries

The report revealed that 47% of upper-middle-income (UMI) countries with approved grants have reported domestic investments in **both** key populations and human rights programs (vs. an end-2019 target of 100%). The report said that the target is aspirational and will not be met, due in part to the lack of co-financing requirements for human rights. The report noted, however, that 82% of UMI countries have reported domestic investments in key populations programs alone.

KPI 12a – Availability of health technologies

The report stated that the proportion of defined products with more than three suppliers meeting quality assurance requirements is 69% (vs. a target of 100% by 2019). The report said that low volumes of pediatric products presents challenges to maintain more than three suppliers. The Secretariat is planning to propose “a revised, realistic target” for KPI 12a in 2019.

KPIs at risk of not being on track to meet targets

KPI 2 – Service delivery

As of mid-2018, results were at risk of being off track for:

- Prevention of mother-to-child transmission (PMTCT) coverage;
- The proportion of people living with HIV (PLHIV) who know their status;
- The number of people living with both HIV and TB on antiretroviral therapy;
- The proportion of PLHIV on isoniazid preventive therapy (for TB); and
- The proportion of pregnant women on intermittent preventive therapy for malaria.

The Secretariat has conducted a deep-dive analysis to better understand root causes driving the gaps between strategy targets and projected results. Country teams are using country portfolio reviews to help identify the root causes.

KPI 5 – Key populations service coverage

As of mid-2018, the report said, 45% of countries are able to report on service coverage for key populations, vs. a target of 75% by end-2019. The report noted that another approximately 25% of countries are just slightly below the “able to report” threshold.

Support from the Secretariat is focused on countries currently listed as “potentially able to report” through measures such as: deploying technical assistance via the Communities, Rights, and Gender (CRG) Strategic Initiative (e.g. to support integration of community-based monitoring into key population reporting); and deploying technical assistance via the Data Strategic Initiative (e.g. to strengthen country key-population program monitoring systems, cascade analysis, testing yield analysis and prevention effectiveness analysis).

KPI 8 – Gender and age equality

The report stated that HIV incidence among adolescent girls and young women (AGYW) declined by 16% in 2017. If recent trends continue, the report said, only about 75% of the Strategy target (a decline of 58% by 2022) will be met. Efforts will need to be accelerated. The main thrust of the Secretariat’s response is to focus its efforts on ensuring all cohort countries have a defined package of AGYW interventions and an M&E framework to measure coverage and outcomes. In addition, work is underway to improve quality and sustainability measures.

KPI 6c2 – Financial management

The report said that 13 countries (vs. a 2018 target of 16) have implemented required actions to meet defined financial-management systems standards for optimal absorption and portfolio management. The report stated that another three countries are close to the required level.

Other miscellaneous results

The performance report said that for the 2017-2019 allocation period to date:

- 36% of grants (and 30% of the funding) is being managed by community sector implementers, many of them local;
- About half of transition-preparedness components have completed a transition readiness assessment (TRA) or equivalent;
- 195 grants have been provided to community-based groups through the HER Voice Engagement Fund, up from 93 in mid-2018; and
- 43.0% of cohort countries provide results that are disaggregated by age and gender for all relevant indicators (vs. an end 2019 target of 50.0%) (GFO was unable to obtain more detailed information on the cohort countries by the time of publication.)

Country-level reporting pilot

The performance report revealed that the Global Fund is reporting some country-specific results on a pilot basis. It is doing so for KPIs for which the country-level data are (or will be) publicly sourced; and where the data are available and relevant to understanding KPI performance.

Traditionally, strategic performance reporting has been at a global level (or regional level where appropriate). Recently, however, the Secretariat has shared some country results profiles with the Board; and constituencies have requested more KPI country-specific analysis, both at country and grant level.

The Global Fund said that it wants to ensure that the pilot is not used to name and shame countries, to lower the level of Board discussions or to foster micromanagement.

According to the performance report, country-specific results that could be reported now include the following:

- Impact and service delivery (using partner or national data): Performance against impact targets (KPI 1); Gender and age equality (KPI 8); and Performance against service delivery targets (KPI 2);
- Data sourced from grant reporting: Fund utilization/absorptive capacity (KPI 7b); and RSSH: Results disaggregation (KPI 6e); and
- Corporate public data: Alignment of investment and need (KPI 3).

Results for additional KPIs could be available in future.

The Strategic Performance Reporting paper that was provided to the Board for its May meeting did not include any country-specific results. (GFO was unable to obtain more information on country-specific reporting by the time of publication, but will report further on this topic in a later edition.)

About the report format

The performance report, which is in the form of a slide deck, contains 53 slides. Performance results were presented in four main categories: funding; program design; implementation; and impact/results. There was also a section on the context for the three diseases; and a section on underperforming KPIs. An annex to the report contained detailed results by KPI.

This reporting format was first used for the May 2018 Board meeting, so this is the third report using this format. Many of the slides contain a lot of information, usually in bullet format, crammed into a small space. Of necessity, therefore, some of the information is rather cryptic.

Since the primary target audience consists of Board members and their delegations, this may well be a suitable format for them. However, these reports become public once the Board meeting is finished. The Global Fund does not currently produce a different version of the performance report for a wider audience (though the Strategy Committee has discussed the possibility of the Fund producing an annual progress report for stakeholders).

For the GFO, trying to write a summary of the performance reports for GFO based on documents in this format is challenging.

Board Document GF/B41/14, Strategic Performance Reporting – End 2018, should be available shortly at www.theglobalfund.org/en/board/meetings/41.

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8. NEWS: Global Fund Board's next Chair and Vice-Chair appointed using new selection process

First time ever that donor bloc nominee is from an implementing country

David Garmaise

4 May 2019

The Global Fund Board has appointed Donald Kaberuka as Chair of the Board and Roslyn Morauta as Vice-Chair. Each will serve for a two-year term starting from the adjournment of the 41st Board Meeting on 16 May 2019.

In choosing its new chair and vice-chair, the Board followed a [selection process](#) that it adopted in May 2018. Under the new process, a Board Leadership Nominations Committee

(BLNC) was created to coordinate the selection and an executive search firm was engaged to provide support.

The new selection process maintains the current practice of rotation between the implementer and donor voting groups for the final candidates for Board chair and vice-chair. In line with this practice, nominations were sought from voting constituencies as follows:

- Constituencies from the donor voting group nominated candidates for the position of chair; and
- Constituencies from the implementer voting group nominated candidates for the position of vice-chair.

Two sub-committees were established on the BNLC to review nominations from the two groups.

The new chair, Donald Kaberuka, who is from Rwanda, was nominated by the donor bloc; and the new vice-chair, Roslyn Morauta, who lives in Papua New Guinea, was nominated by the implementer bloc. This is the first time in the history of the Global Fund that the person nominated by the donor bloc hails from an implementing country.

The selection process was launched in November 2018 at the 40th Board meeting. Nominations closed in January 2019. Seventeen nominations were received, 10 for the position of chair; and seven for the position of vice-chair.

The BNLC interviewed shortlisted candidates in early April and recommended the final pair of candidates later that same month.

For both the chair and the vice-chair positions, due diligence and background checks were conducted by the Global Fund's Ethics Officer in coordination with the search firm.

The decision to appoint Dr. Kaberuka and Lady Marauta was taken by electronic voting on 2 May 2019 and was announced publicly the following day. They will replace the outgoing chair and vice-chair, Aida Kurtović and John Simon, respectively.

According to a [news release](#) issued by the Global Fund on 3 May, Dr. Kaberuka was president of the African Development Bank and chairman of its board of directors from 2005 to 2015. Prior to that he was the finance minister of Rwanda.

In addition, Dr. Kaberuka was Hauser Leader in Residence at Harvard Kennedy School. He co-chaired the London School of Economics/Oxford panel on fragile states and the Fourth International Monetary Fund evaluation panel. During the Ebola epidemic, he played a major role in coordinating the African response.

In the news release, Dr. Kaberuka said, "The Global Fund is an extraordinary partnership, which has made a difference to humanity over the last two decades. It is now time to face emerging issues and sustain the achievements. I look forward to working with the Board and staff to get to the next level. Ending these three epidemics is a fight of our time and the Global Fund has shown that it is possible."

Lady Roslyn Morauta currently serves as alternate board member for the Western Pacific Region constituency. According to the news release, Lady Morauta "has [had] a long

association with the Global Fund having served as chair of the Papua New Guinea Country Coordinating Mechanism. From her time also as first lady of Papua New Guinea, she has steadily championed health, HIV programs and gender issues.”

In addition to her work on the Global Fund Board, Lady Morauta has served as a member of the Anglicare (PNG) board, the Papua New Guinea National AIDS Council, the Asia-Pacific Leadership Forum on HIV/AIDS, the Papua New Guinea Alliance of Civil Society Organisations Against HIV/AIDS and the Papua New Guinea Maritime College Board.

In the news release, Lady Morauta said, “The Global Fund can provide tremendous support, and I know firsthand what a difference it can make. There is no time to lose with such an ambitious agenda.”

In its decision, the Board expressed its appreciation to Aida Kurtović and John Simon for their leadership over the 2017–2019 term.

The incoming chair and vice-chair attended the 41st Board meeting on 15-16 May.

For further reading: The [terms of reference](#) of the Board chair and vice-chair.

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9. ANNOUNCEMENT: United States’ House Appropriations Committee approves increased funding for Global Fund’s Sixth Replenishment

If enacted, the proposed \$1.56 billion will be first increase from the US to the Global Fund in six years

Aidsplan Staff

17 May 2019

On May 16, the day the Global Fund’s 41st Board Meeting concluded, the United States’ House Appropriations Committee passed its fiscal year 2020 funding bill for State, Foreign Operations, and Related Programs (SFOPS) including an increase in funding for the Global Fund to \$1.56 billion, a \$210-million increase.

This is a vindication of the widespread objections to the President’s budget, released in March 2019, which proposed a \$1-billion cut in funding to the Global Fund for the next Replenishment period.

The \$1.56 billion, which is what the Global Fund and Friends of the Global Fight had been advocating for, in order to maintain the U.S. share to the Global Fund at 33%, would be the “first installment” from the United States for the Global Fund’s 2020-2022 Sixth Replenishment cycle, a news release from Friends of the Global Fight said.

The release applauded the House action and the ongoing efforts and leadership of Appropriations Committee Chairwoman Nita Lowey and Ranking Member Hal Rogers. Chris Collins, President of Friends of the Global Fight, said, “We are grateful to them for rejecting the wholesale retreat on global health investment proposed by the Administration. This bill is a strong signal to donors around the world that America will play its crucial leadership role in a successful Global Fund Replenishment this year.”

The same bill allocates funding to United States bilateral health programs, including \$5.93 billion for the President’s Emergency Plan for AIDS Relief (PEPFAR), \$755 million for the President’s Malaria Initiative, and \$310 million for USAID TB programs.

Read [the full press release](#) from *Friends of the Global Fight Against AIDS, Tuberculosis and Malaria*.

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GFO Acting Editor: Adèle Sulcas (adele.sulcas@aidspan.org). Aidspan Executive Director: Ida Hakizinka (ida.hakizinka@aidspan.org).

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