



Independent observer  
of the Global Fund

## IMPLEMENTATION OF GLOBAL FUND'S SUSTAINABILITY, TRANSITION AND CO-FINANCING POLICY, IS 'TRANSFORMATIVE', SAYS THEMATIC REVIEW

[A thematic review](#) of the Global Fund's [Sustainability, Transition and Co-Financing \(STC\) Policy](#) commissioned by the Technical Evaluation Reference Group (TERG) in 2018 concluded that the Global Fund Secretariat is transforming the work of the organization in line with the Policy, which "should result in countries being better prepared for transition away from Global Fund financing."

The report highlighted the "substantial gains" in helping lower-middle-income countries (LMICs) with non-high disease burdens and upper-middle-income countries (UMICs) to better plan for and manage transitions from external financing, though it emphasized that similar attention and effort were needed to support LMICs with high disease burdens and low-income countries (LICs) "in increasing the sustainability of their disease control efforts."

The report's authors emerged with 14 specific recommendations, including an overall recommendation to further strengthen and operationalize the STC Policy implementation. In its position paper on the review, the TERG ultimately made five high-priority recommendations.

- Scale up efforts to catalyze increased Domestic Resource Mobilization (DRM)
- Strengthen efforts to remove the impediments to scaling up effective HIV, TB and malaria services
- Address health system weaknesses that impact the sustainability of disease outcomes
- Increase attention on sustainability assessment and planning in high-burden, lower-middle-income countries
- Create and ensure access to Global Public Goods, including market shaping for key drugs,

diagnostics and commodities.

The Secretariat management, in its response to the review (see page 19 of [the report](#)) agreed broadly with the conclusions of the thematic review, but emphasized that “many sustainability and transition challenges depend fundamentally on political will and policy decisions at the national level,” which the Global Fund has only a limited ability to influence. While the Secretariat did not respond to each individual recommendation, it concurred with many of the overall conclusions, including that increased efforts are needed to support LMICs and LICs in increasing the sustainability of their disease control.

The report is the first thematic review of the STC Policy, which the Global Fund Board approved in April 2016. The Policy was designed to support the Global Fund’s overall strategy, which includes aligning the Fund’s support [with increasingly self-reliant national efforts](#). The STC Policy offers guidance to countries to better prepare them to transition from Global Fund financing as their income status increases and they achieve disease reduction goals. It also seeks to encourage country partners to use domestic resources to take on a greater share of program costs. (See separate article in this issue on co-financing in the 2020-2022 allocation cycle.)

The Fund, in collaboration with country teams and partners, began implementing the policy during the 2017-2019 allocation period. At its March 2018 meeting, the Global Fund’s Strategy Committee requested the TERG oversee a thematic review of the STC policy. In turn, [the TERG commissioned](#) the Health Management Support Team and the Euro Health Group to conduct the review in 2019, identifying four key objectives:

- Assess the Fund’s operationalization and implementation of the STC Policy
- Understand how country programs and stakeholders are incorporating key principles and focus areas of the STC Policy into their national programs and funding requests, including preparing for the transition from Global Fund financing
- Understand the extent to which the STC Policy is helping to foster greater sustainability of national programs
- Document the lessons learned from the ongoing STC Policy implementation to help guide the Global Fund’s sustainability efforts

The reviewers examined the operationalization and implementation of the STC Policy at both the corporate and country level. That included ten country case studies, five of which were field-based (Côte d’Ivoire, Kenya, Rwanda, Ukraine and Vietnam) and five desk-based (Dominican Republic, Georgia, Ghana, Namibia and Sri Lanka).

Along with its overall determination that the Global Fund is transforming the work of the organization in line with the STC Policy, the report offers specific insights into the progress made at three review levels: corporate level operationalization and implementation of the Policy; operationalizing, supporting and monitoring implementation at the country level; and results and implications of the STC Policy at the country level.

#### Corporate operationalization and implementation of the STC Policy

The review praised the clear operational guidance and revised grantmaking processes offered by the Secretariat, highlighting the Secretariat’s efforts to prepare for component transitions and implementing co-financing requirements. The reviewers also noted the Global Fund’s efforts to revise its partnerships to support STC. However, outside of the Asia, Europe, Latin America and Caribbean (AELAC) countries, the reviewers noted there was not enough attention on strategically operationalizing country-led sustainability efforts.

## Operationalizing, supporting and monitoring implementation at the country level

The review found that the Global Fund provides significant STC technical support to countries, particularly around their efforts to assess and plan for the transition, including expert staff who helped guide the process in the AELAC. The Global Fund has also extended part of its Catalytic Funding and enlisted partners to support country-level STC efforts. The reviewers did call for more sustainability monitoring indicators to offer greater understanding of the integration of services, among other insights.

## Results and implications of the STC Policy at the country level

The reviewers based their findings on the evaluation of the 10 case study countries and determined that the implementation of the Global Fund grants is largely aligned with the National Strategic Plans of those countries. For the transitioning programs, there was strong adherence to the focus areas of the STC Policy and all transitioning programs had undertaken a transition assessment and begun transition and/or sustainability planning.

There were several challenges identified, though, which helped inform the recommendations that emerged. Among them, the reviewers recognized that health systems weaknesses are not being adequately addressed to promote sustainability, with Resilient and Sustainable Systems for Health (RSSH) grant activities generally focused on supporting grant implementation instead of systems strengthening. They also cited the risk to services for key and vulnerable populations (KVP) in the transitions, since KVP programs are often funded through external sources. And they raised the concern that countries have limited capacity for domestic resource mobilization.

From these insights, the reviewers identified 14 recommendations, including an overall recommendation that the Secretariat further strengthen efforts to operationalize and implement the STC Policy. That specifically includes prioritizing and monitoring the successful transition of country disease components, while emphasizing sustainability throughout grantmaking and implementation.

In its position paper based on the thematic review, the TERG ultimately selected five of the reviewers' priorities for increased attention:

### 1. Continue scaling up efforts to catalyze increased DRM.

The TERG suggested prioritizing increases in domestic financing for scale-up of KVP services, specifically. The Secretariat agreed with prioritizing efforts to address impediments to KVP service scale-up, but noted that "ongoing political, legal and other enabling environment challenges may hinder these efforts in some contexts." The review also called for more support from the Secretariat to country teams in the form of health financing and sustainability specialists.

### 2. Prioritize and strengthen efforts to address impediments to the scale-up and sustainability of effective HIV, TB and malaria services.

This includes a call to intensify efforts to promote domestic or alternate financing for civil society organizations and human rights advocacy that support primary prevention, treatment and compliance adherence activities.

### 3. Further address health systems weaknesses that impact the sustainability of disease outcomes.

This includes the urgent expansion of efforts to address systems constraints in national procurement and supply chain management, public financial management and integration of programs and systems.

4. Increase attention on sustainability assessment and planning in high-burden LMICs.

The reviewers suggested expanding the successful approach within the AELAC to cover all regions, and modifying the grant application process to encourage greater attention to sustainability.

5. Continue to create and ensure access to Global Public Goods, especially market shaping for key drugs, diagnostics and commodities.

This recommendation called for the Secretariat to maintain a supervisory role after countries transition, to ensure they retain access to Global Public Goods, like market shaping for key drugs, diagnostics and commodities, while continuing to provide access to wambo.org or other pooled procurement mechanisms.

The position paper also listed five recommendations meant to help fine-tune STC operationalization and implementation:

1. Continue and intensify efforts related to efficiency and value-for-money across all Global Fund-supported components.
2. Sharpen focus on tools and processes for prioritization of disease responses at the country level, particularly for high-burden UMICs and LMICs.
3. Continue to evolve the operationalization of co-financing requirements of the STC Policy. This recommendation includes the suggestion that the Secretariat document and replicate successful experiences in leveraging domestic financing for health.
4. Expand country ownership and responsibility for STC efforts and ensure country-centred, demand-driven Global Fund support. The Secretariat noted it is already working to enhance the role of Country Coordinating Mechanisms in STC-related efforts.
5. Consider incorporating additional STC indicators in the Global Fund's Key Performance Indicator Frameworks. This includes ensuring there are indicators to routinely monitor RSSH investments in health systems strengthening, KVP program sustainability and progress on co-financing commitments. The Secretariat said it would review the availability, rigor and quality of potential additional indicators.

Finally, the review listed three additional considerations:

1. Learn from sustainability and transition efforts already underway in Global Fund countries and regions
2. Further align grant management and governance processes to frameworks and mechanisms that promote longer-term sustainability
3. Consider greater use of on-the-ground mechanisms to strengthen coordination and oversight of STC efforts.

The TERG Position Paper suggested a follow-up review on post-transition outcomes in roughly three years, given that the implementation of the STC Policy is still at an early stage.

Further reading:

- The Technical Evaluation Reference Group's [Position Paper on the Thematic Review of the Sustainability, Transition and Co-Financing Policy](#)
- The Global Fund's [Sustainability, Transition and Co-Financing Policy](#)
- The article from GFO on [TERG priorities](#)
- The primer from GFO on [the Global Fund's STC Policy](#).

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