



Independent observer
of the Global Fund

Global Fund 2022 Performance

Introduction

This article provides an overview of the Global Fund's performance in 2022 and is based on:

- Reports on performance to end 2022 presented to the Audit & Finance Committee at its meeting on 15 March 2023 and to be discussed at the 49th Board Meeting at its meeting on 10-11 May 2023;
- The 2022 Annual Report of the Office of the Inspector General (OIG);
- An update on agreed management actions (AMAs) prepared by the OIG; and
- Stakeholders' comments on those reports.

2022 Performance

93% of the 2020-2022 allocation has been disbursed or is forecast to be disbursed with high utilization across all portfolio categorizations and components.

Table A gives an overall picture of progress across reporting periods measured according to the defined key performance indicators (KPIs).

Table A: Performance progress across reporting periods

	F2017	S2018	F2018	S2019	F2019	S2020	Period F2020
tion	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
& need	●	●	●	●	●	●	●
capacity to report)	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
es	●	●	●	●	●	●	●
ransition efforts	●	●	●	●	●	●	●
meeting standards	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
ation	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
riers to services	●	●	●	●	●	●	●
Rights (HIV)	●	●	●	●	●	●	●
Rights (TB)	●	●	●	●	●	●	●
d Human Rights	●	●	●	●	●	●	●
KPs and HRts	●	●	●	●	●	●	●
KPs and HRts (reporting capacity	●	●	●	●	●	●	●
ledges	●	●	●	●	●	●	●
contributions	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
lth Products	●	●	●	●	●	●	●
hнологies	●	●	●	●	●	●	●

Legend

- Achieved/on track
- At risk/partially achieved
- Not achieved/off track
- Not available
- No reporting scheduled
- To be reported

Key performance indicators

Generally, the KPIs show that the results at the end of 2022 were in line with the results observed at the end of 2021, with:

- Positive results on lives saved and financial and operational performance;
- Incidence reduction progressing too slowly; and
- Generally positive trends on resilient and sustainable systems for health (RSSH) KPIs but final targets were not met for some of them. For Lives Saved (KPI 1a), the results at the end of 2021 indicated that the end-2022 Strategy target (29 million) had already been met with 29.2 million lives already saved. Current projections indicate that the 2022 results will be in the range of 34.3 and 35.4 million lives saved – well above the Strategy target. However, although there had been a decline of 16.2% in incidence reduction rates (KPI 1b) between 2015 and 2021 and more recent trends projecting results between 15.2% and 20.2% at the end of 2022, this was too slow to meet the end-2022 Strategy target of 28-47%.

There was continued strong financial and operational performance with targets met on supply continuity (KPI 12a), co-financing requirements (KPI 11), alignment of funding to needs (KPI 3), and resource mobilization (for 6th Replenishment, KPIs 10a/10b) as well as for allocation utilization.

This is the last time that many RSSH KPIs will be reported in the 2017-2022 Strategy. There were contrasting results:

- Strong performance for KPI 6b (Supply Chains) with targets met for all diseases and products. For the countries in the cohort, the average on-shelf-availability was 84% and considered to be high (90% or more) in a third of the cases.
- For Financial Systems Management (KPI 6c), the end-Strategy target was met for “countries completing public financial management transition”. However, even though the number of countries with “financial management systems meeting defined standards” increased from five to 34 during the 2017-2022 Strategy period, it was still below the end-Strategy target of 46 countries.
- For Health Management Information Systems (HMIS) (KPI 6d), even though there was a steady increase in scores during the 2017-2022 Strategy period (especially for the Integration dimension progressing from 45% in 2017 to 92% now), the effect of COVID-19 was too significant on the Timeliness dimension score. This resulted in the HMIS coverage KPI at 55% not meeting the end-2022 target of 70%.

For KPI 9a – reduce human rights barriers to services – the mid-term assessment scores for all countries in the Breaking Down Barriers initiative had highlighted significant progress from the baseline for both HIV and TB. On average, HIV program scores had improved from 1.7 to 2.6, while TB scores improved from

0.6 to 1.3. However, there remains a risk of not meeting the target because of the diversion of focus and resources due to: the impact of the COVID-19 pandemic, the current geopolitical and economic situation, and insufficient funding from domestic sources / partners. Final results are expected in Spring 2024. Overall, according to the summaries presented to the AFC, despite the impact of COVID-19 on incidence, human rights and RSSH, there were positive results for all KPIs related to funding and program design with:

- Resource mobilization still going well;
- Domestic investments also high for 2017-2019;
- The pooled procurement mechanism continuing to deliver; and
- Good results for program design in the 2020-2022 allocation.

However:

1. Domestic co-financing commitments to programs supported by the Global Fund for the 2017- 2019 Allocation Period reached 125% of the minimum policy requirement prescribed for co- financing, a 34% increase to the previous (2014-2016) Allocation Period. However, despite a broad increase in co-financing across the portfolio, only 84% of the total co-financing commitments were realized in the corresponding implementation period (generally 2018-2020) due to macroeconomic and fiscal constraints in countries, accentuated by COVID-19. Even though there has been regular progress in the extent of domestic funding, the next years are expected to be potentially challenging given the current economic outlook in countries supported by the Global Fund.
2. As noted in the OIG 2022 Annual Report: “By the end of the year, public health issues, including the COVID-19 pandemic, were quickly eclipsed by Russia’s invasion of Ukraine, the subsequent energy crisis, and the spiralling costs of living that impacted both donor and implementer countries. The confluence of so many major global risks threatens the ability of the Global Fund to deliver on its mission against the three diseases.”
3. Constituency members also expressed concerns about the lagging performance of incidence reduction across all three diseases, which are now well below the KPI levels.

Attention will therefore have to be paid to the findings set out in the OIG 2022 Annual Report for the Global Fund to ensure that the organization can effectively and efficiently achieve its objectives.

Data quality

Audits found that poor data quality, due to inadequate supervision and assurance over key data sets, is undermining programmatic monitoring and decision-making:

- Inadequate programmatic data quality reduces performance monitoring and capacity to adapt programs to changing contexts;
- Deficient procurement and supply chain data negatively impacts the ability to mitigate stock-outs and expiries;
- Health information systems are not effectively used to support data quality;
- Supervision and assurance on data remains weak, limiting the reliability of results.

Oversight and Risk Management

Improvement is required in oversight and risk management for effective grant implementation. OIG reported that:

- New risk areas such as data fraud and manipulation have emerged. This, combined with a considerable spike in allegations in 2022, reflects an increase in both the incidence of fraudulent and corrupt practices and the broadening awareness of the need to report to the OIG. It is also indicative of the widening array of wrongdoing being reported, characterized by more complex cases;
- Weak capacity of in-country Program Management Units affects grant implementation; and
- Bolstering the design and effectiveness of controls at country level helps to safeguard investments but can also delay implementation.

Inadequate risk assessment and prioritization of country level interventions have slowed progress in mitigating sexual exploitation, abuse and harassment (SEAH). OIG reported more allegations of SEAH in 2022 than in previous years which underscores the importance of intensifying support to those grant recipients implementing programs more vulnerable to SEAH risks.

Key factors requiring attention

As the Global Fund begins translating the replenishment into grants, the OIG has identified four key factors that can potentially derail its efforts and should be carefully considered to ensure optimal impact:

1. The need to improve “value for money” in decision-making processes which will bolster impact;
2. Delivery of 2023-2028 Strategy requires innovation and a differentiated approach in challenging country contexts;
3. There are known weaknesses in the Secretariat’s oversight and monitoring of quality assurance of health products. There is therefore a need to ensure quality assurance of medicines and health products, including consistent testing and improved storage facilities.
4. The evolving risk of fraud and wrongdoing calls for greater attention to identify material gaps in prevention measures and an adapted response to non-traditional risks.

Agreed Management Actions

The AFC also reviewed the AMA Progress Report, prepared by OIG, which presents trends in AMA completion and discusses performance risks posed by high-risk overdue AMAs for Board attention:

- The total number of 72 open AMAs as of January 2023 had not changed materially since September 2022 (last AMA report to the Board). This is due to the net effect of new AMAs and the closed AMAs from country audits.
- The number of overdue AMAs (including long overdue) has risen by 44% since September 2022 (25 vs 36 overdue AMAs as of September 2022 and January 2023).
- Challenges continue to persist in the timely closure of AMAs by the Secretariat. Only 21% of AMAs have been closed on time in the past two years, against a target of 60%.
- As stated in the OIG’s last update, while the COVID-19 pandemic contributed to the Secretariat de-prioritizing the implementation of AMAs, increased attention is required to accelerate addressing the remaining risks. This is particularly important for cross-departmental ethics-related actions, and some country AMAs, which have been outstanding for over two years.

- Protection from sexual exploitation and abuse, harassment (PSEAH), and related abuse of power: Risk assessment and response – the Secretariat has made progress towards implementing this AMA during the last quarter of 2022 although some risks remain unaddressed; in particular, slow progress has been made in implementing risk-based, prioritized interventions at the country level. These important residual actions will be monitored under the new PSEAH actions agreed, which set out a more ambitious implementation plan to better manage SEAH risks at the country level.
- TANA netting: quality assurance of health products: There has been no material progress since the last report to the AFC; this action has therefore been prioritized again.
- The AMA related to ethics and integrity risks: Accountabilities for managing and monitoring has been prioritized for the committee's attention. This AMA was previously deprioritized due to satisfactory progress demonstrated and commitments made to further implement the action. However, since the last update, no further progress has been made to close this AMA.

Steps must be taken to get AMAs back on track; but the AMA Progress Report does not attempt to explain the reasons for the delays in implementing the AMAs. It is therefore unclear what factors explain the increasing delays. These might, for example, include: Secretariat staff or budgetary constraints; difficulties in timely engagement with other parties; and country-level issues such as staff shortages/changes, underfunding, indecision, or security. In future, it would be useful for this report to provide the reasons for delays for the specific AMAs in order to inform decisions on remedial actions.

Stakeholder feedback also expressed dissatisfaction with the slow pace being made towards closing some of the AMAs. As highlighted in this report; if allowed, the continued increase trends of overdue AMAs (including long overdue), which are now seen to have risen by 44% since September 2022, will continue to pose significant threats, not just to the organizations' reputations, but to the quality of programs and service delivery.

Constituents are also not satisfied with the level of effort made on TANA netting. They say that the quality assurance of the health products AMA has seen no significant progress to date despite being long overdue and it continues to pose threats both on programmatic and quality of health products. It is important to note that, while the Global Fund is making great strides towards maximizing people-centred integrated systems for health (especially for the communities), the standard and quality of health products are essential to sustain whatever gains are made. They have therefore urged the Secretariat to place high priority on addressing this AMA.

Members understand the impact of COVID-19, which has restricted the Secretariat's ability to prioritize and close the gap regarding the implementation of the AMAs. However, with the return to normalcy, they consider it important that the Secretariat takes swift actions to ensure outstanding AMAs, including the risks identified, are given due priority, and addressed accordingly.

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