



Independent observer
of the Global Fund

More questions than answers: stakeholders are anxious to clarify plans to implement the new Global Fund Strategy

5At the Committee meetings held prior to the Board retreat, on 6-7 July 2022, members were briefed on plans for operationalizing the forthcoming Global Fund Strategy 2023-2028. Board members were asked to pre-read a presentation of an overview of Board and Committee engagement on Strategy delivery, including decisions coming to the Board and the Committees in the coming months on Strategy Implementation.

While there were no plans to discuss the update during the Board Retreat, nonetheless stakeholders felt that the topic was important enough to warrant written comments. This article is therefore based on earlier documents updating the Strategy Committee (SC) on preparations for implementation of the Global Fund 2023-2028 Strategy and stakeholder feedback on this.

Background

The Secretariat had several key messages for how stakeholders should view Strategy implementation:

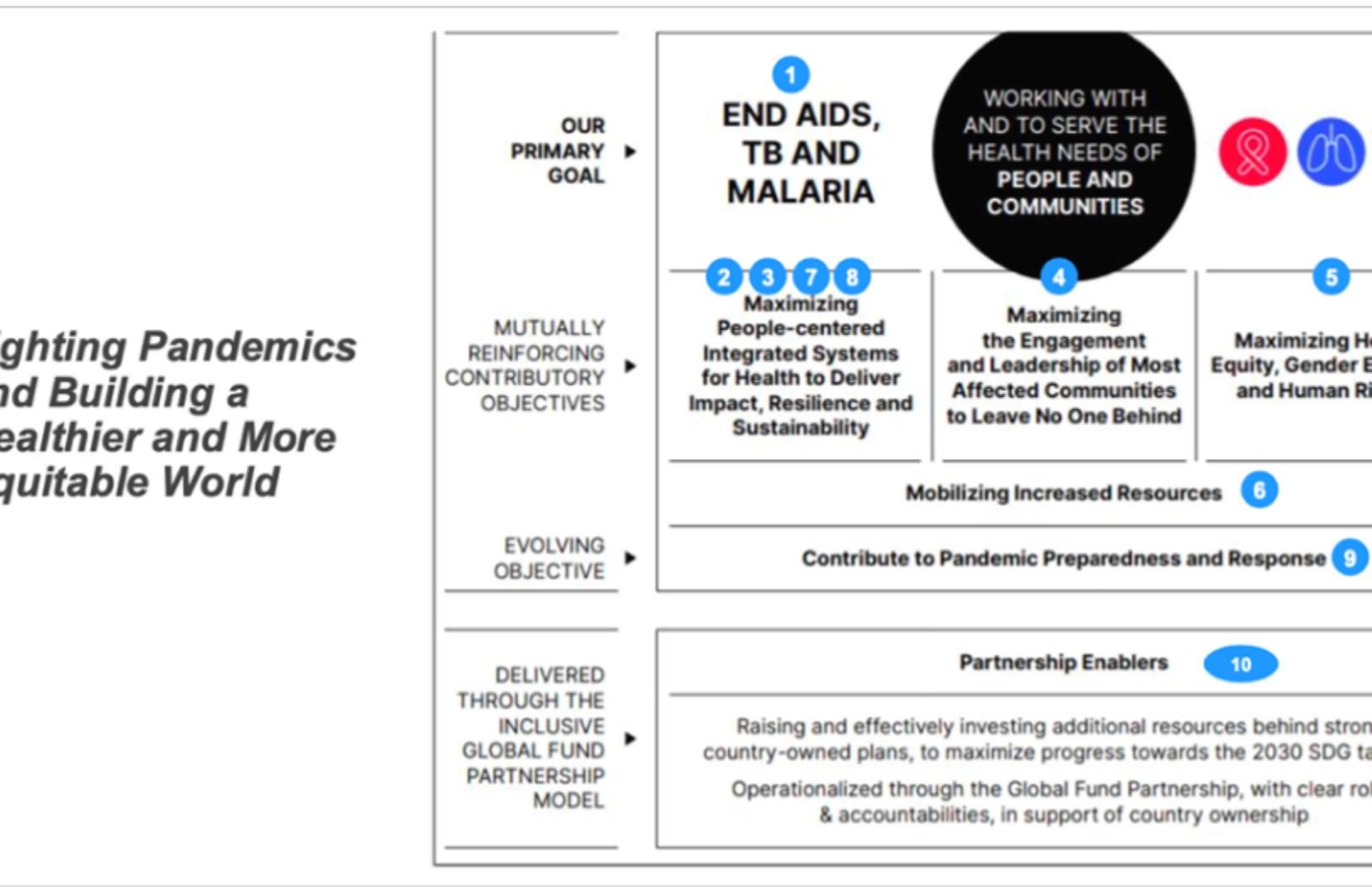
- “Strategy Implementation” should not be seen as a separate thing – it is everything we do.
- The Board and Standing Committees have oversight over implementation of all areas of the Strategy.
- The Board has already made several key decisions regarding Eligibility, Allocation Methodology, Catalytic Investments) which are directly related to implementing the new Strategy.
- Upcoming decisions around M&E/KPI Framework will set out how we will measure the overall progress of the new Strategy (see Article 4, [Measuring the performance of the new Global Fund Strategy](#), for more on this.)
- Evaluations, grant and Strategic Initiative performance data, Secretariat management information as

well as partner reporting and other relevant resources will complement Strategy Performance reporting.

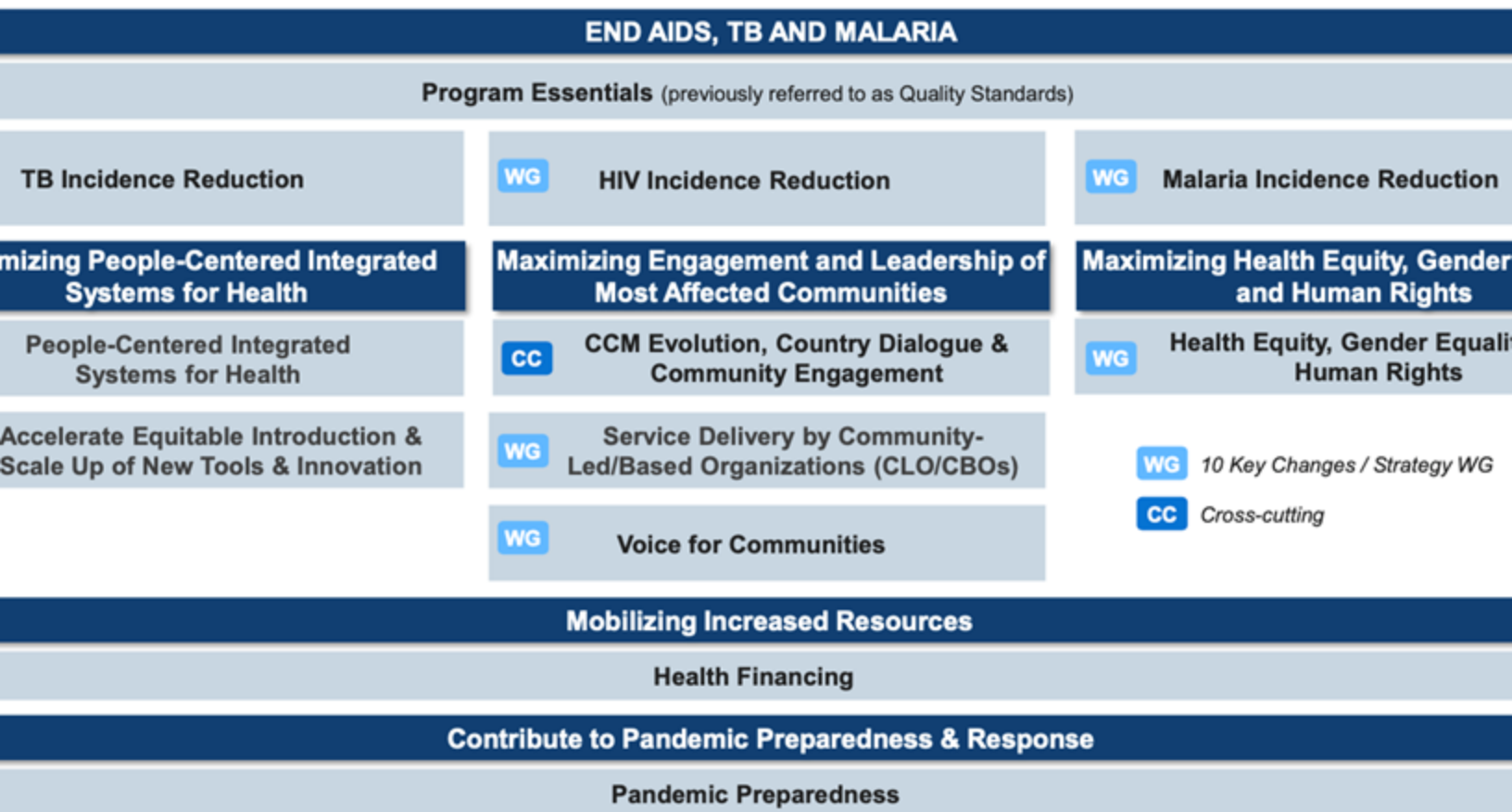
- Finally, it said that effective governance and strong partnership are critical to enabling success.

For there to be effective governance, improved communication and widespread reporting will be paramount (see Article 3, [Transparency is a founding principle of the Global Fund: so where is it?](#)).

The 10 Key Changes are mapped to The Global Fund 2023-2028 Strategy Framework Approved by the Board. To remind you, they are shown in Figure 1 below:



In Figure 2, you can see them depicted together with the cross-cutting issues such as (i) Program Essentials; and (ii) Country Coordinating Mechanism (CCM) Evolution, Country Dialogue & Community Engagement.



Again to remind you, for each of the two Cross-cutting Areas and ten Key Changes, there is a Theory of Change covering a Problem Statement, Strategy Imperative, Changes in the Next Strategy Cycle, Key Secretariat Focus Areas and Key Country Level Considerations. There are several articles in earlier GFOs that cover the Strategy and its contents (the most recent in April are [Plans for operationalizing the forthcoming Global Fund Strategy](#), [Getting to grips with the “how” of the forthcoming Global Fund Strategy implementation](#), together with many other earlier articles).

Stakeholders still have many questions

Stakeholders were appreciative of the Secretariat’s extensive consultations and efforts to ensure that the 10 key changes and cross-cutting areas are all incorporated in various workstreams. The results gave a clearer idea of changes needing to be made to the business model (e.g., resilient and sustainable systems for health (RSSH) gap analysis, change management plan for pandemic preparedness, introduction of Program Essentials) and Global Fund policies. The Secretariat also painted a clearer picture on how the partnership will collaborate to achieve the Global Fund’s goals.

However, some issues still remained to be addressed.

Some people, while acknowledging that some progress had been made since the last SC meeting, remained concerned that this discussion had not yet been linked to the coming OpEx decision and to Strategy-costing considerations. The SC and Board discussions have shown an increased level of ambitions on a range of priorities, such as TB, Community, Rights and Gender (CRG) or CCMs, and it is time to assess if the Secretariat’s capacities match those ambitions.

In this regard, many were interested by the Program Essentials approach which should help clarify and simplify programmatic expectations for the next cycle. People also commended the fact that the CCMs would be reviewed through annual performance reviews and were keen to know more on this: how would

performance be measured, by who and would it have OpEx implications? Stakeholders recommend maximizing the use of those reviews at SC level, for example by providing a consolidated annual report on CCM performance, with some key examples and follow-up recommendations. This topic, they felt, had not been sufficiently discussed at the SC and regular evidence-based exchanges are expected now in order to keep informing the new Strategy implementation.

Some people wanted further clarification on interrelations – e.g., between Catalytic Investments, Qualitative Adjustments, the KPI/M&E Framework and the results of the working groups – to generate a holistic picture of Strategy operationalization. They looked forward to the Secretariat's forthcoming new narrative and overview to explain the different elements of implementation and their linkages and hoped to receive this before the November Board meeting.

On CCM Evolution, Country Dialogue and Community Engagement the plans have omitted one key theme central to CCMs, and to sustainability and country ownership: ensuring that CCMs are integrated into country systems and cease to operate as parallel structures as is currently the case.

On HIV incidence reduction: First, the plans do not indicate key priorities and shifts in addressing structural – both proximate and distal – drivers of the HIV epidemic. Secondly, the Global Fund has been implementing successful pilot programs for human rights impediments to the three diseases (Breaking Down Barriers) and its program for adolescent girls and young women, but there is no mention of replicating or scaling up these successes.

On pandemic preparedness and response (PPR), the Global fund should go beyond just seeking to define its role in the global health architecture, especially with respect to PPR, to also articulate how it will work with new institutions such as the new PPR fund announced by the World Bank (see our article on the Financial Intermediary Fund in the last GFO, [The Financial Intermediary Fund: a new model that duplicates the Global Fund](#)). The Global Fund also needs to have clarity on how it will work with the Africa Centres for Disease Control and Prevention which has played a very central role in Africa's response to COVID-19.

On health financing, the Global Fund provides no information on how it intends to leverage other health financing interventions such as the Africa Union's African Leadership Meeting (ALM) on Health Financing. Rather than reinventing the wheel altogether, the Global Fund should leverage these kind of opportunities which have already gained momentum.

Regarding co-financing, firstly, stakeholders reiterated that the application of the [Sustainability, Transition and Co-financing \(STC\) Policy](#) should incentivize implementer countries to spend more and better in health; not put an undue burden on the implementers and the CCMs. In addition, the Policy's application should be strategic and streamlined within the country with government and other partners' interventions. Co-financing as part of the Global Fund health strategy should be aligned with a country's strategic plan to improve access to health in an equitable manner.

Stakeholders also showed very clearly that they were unhappy with the current level of transparency regarding countries' financial commitments. They felt that to help better understand progress made in co-funding commitments and in the interests of transparency and above all accountability, the Secretariat should consider publishing the co-financing commitments signed by countries. Access to such information can help other government entities, communities, civil society organizations, and others to follow up on those commitments.

The STC policy states that for low-income countries, co- financing can be fully applied to health system strengthening. In practice, with pressure/encouragement from the Secretariat, many low-income countries commit to buying health commodities. When the countries cannot meet the commitment, stockouts of

medications, health commodities, or other crises ensue with grave consequences. Worse, by the end of the cycle, many of the same countries fail to absorb their allocation which consequently reduces their allocation in the following cycle (Stage 2 of the Qualitative Adjustment).

It is preferable, people felt, to support lower- and lower-middle income countries to build sustainable systems for health. The new Strategy's objective on "Maximizing people-centred investment for health" plans to use the "co-financing policy to enhance domestic spending on RSSH." This is aligned with the STC Policy, especially for low-income countries. However, turning that declaration into action is even more important as the new Strategy's business case highlights that one-third of resources will be devoted to health system strengthening and one-third of the resources needed to make the partnership successful will come from domestic resources including co-financing.

Many people felt that the Strategy implementation should focus on those levers that have the greatest ability to influence or incentivize along the funding lifecycle (e.g., country dialogue, grant-making, guidance and tools like the Modular Framework), how they will be applied, and what is expected in terms of the outcomes they serve. Given the emphasis on Program Essentials, further clarity is needed on what they are and how they are intended to advance the Strategy's areas of focus.

The Secretariat was exhorted to embrace the Strategy's bolder changes, such as nimbler grant processes, paired with evolved risk and performance management, so incentives are aligned with programmatic aims. This need is illustrated again in the evaluation of community engagement/led responses with risk, process and grant architecture barriers cited as inhibiting this core Global Fund strength.

Some people's priority was to incentivize and improve RSSH investments. In this regard, they wanted further discussions around a mandatory RSSH needs assessment that every country would perform before starting country dialogue. Moreover, was the RSSH needs assessment the same as the RSSH gap analysis? People wanted more information on the content and process of this analysis and on how the results would feed into funding request development. They appreciated that strengthening PPR will be realized through RSSH interventions and community engagement and, as the next allocation cycle is quickly approaching, they wanted the Secretariat to present a clear set of interventions for RSSH and PPR that sustainably strengthen and increase the resilience of health systems.

Stakeholders also wanted implementation plans to answer the Strategy's call for bold partnership model changes, including specific new models of technical support and capacity building that use and invest in proximal partners/expertise and strengthen accountability. This is reinforced by the Technical Review Panel's lessons learned, which cite gaps in prioritization guidance, fragmented technical support, and needing to sustain regional or local expertise.

Stakeholders recognized there are limits to changes that can be made now so they felt that they also need plans for the ongoing engagement of the Board and its Committees so that the partnership is ready for the next cycle. Likewise, planning with countries and partners should be based on the longer horizon required for priorities like equity, gender, systems strengthening, sustainability, and innovation introductions. People recommended concrete illustrations of how these elements come together for a subset of strategic priorities to help the Board understand how Strategy implementation will result in the changes that everyone wants to see. These should later be mapped against a comprehensive monitoring and evaluation framework.

Stakeholders welcomed the evolution of OpEx, with expenditures related to programmatic capabilities increasing while expenditures related to operational capabilities are decreasing. However, while the costing methodology for the new Strategy was clear, surprisingly, there were no figures regarding the investments needed to implement the Strategy's 10 priorities. The figures were for information purposes

only and the scenarios did not allow an understanding what amount of OpEx is needed to be able to effectively implement the new Strategy. The trade-off strategy between expenditures and priorities if the Replenishment is insufficient is also unknown. As such, at this stage one could only understand that during the next cycle, OpEx will be somewhere between \$794 million and \$930 million. People were therefore concerned about the delay in calculating the financial and human investments necessary for the implementation of the new Strategy, at the very time when the partnership was advocating for the best possible contribution to the Replenishment.

Finally, stakeholders were also convinced that to be able to deliver its new Strategy and honour its commitments in terms of health systems strengthening and promotion of human rights and gender equality, the Global Fund must expand its workforce within in its cross-cutting departments. Therefore, the Audit & Finance Committee should be informed of human resources needs related to the Strategy's implementation.

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