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## BOARD APPROVES FINAL TARGETS FOR THE 2017-2022 KPI FRAMEWORK

Almost all of the targets for the 2017-2022 Strategic Key Performance Indicator Framework have now been approved, locking in place the full set of targets that the Global Fund will measure its work against for the next few years.

At the meeting just concluded, the Board approved the three targets (for KPIs 6a, 6b and 6e) that were delayed when the rest of the set were approved earlier this year. It also set new targets for two KPIs (3 and 12b) that had only been given interim targets for 2017.

Getting to this point has taken many months of deliberation among various bodies within the organization, and with outside consultants. The KPI Framework was approved in June 2016. At its meeting in November 2016, the Board was scheduled to approve targets for the indicators in the Framework, but Board members expressed numerous concerns, including about the assumptions the targets were based on, and whether the targets were ambitious enough.

More work was done on the targets. The Board approved 29 of the original 37 targets at the end of March 2017, as well as five that had been revised, and postponed the three discussed here for further consideration.

Although lengthy deliberations delayed setting the targets for the current Strategy, the Fund is moving ahead more efficiently with this set of KPIs than it did with the targets for 2012-2016, which were only adopted half-way through the term.

The Board was also presented with the last three remaining results from the targets in the 2012-2016 KPI

Framework. See the box for details.

### 2012-2016 KPIs: Last few results

For the three remaining results for the 2012-2016 KPIs, the Global Fund reached its targets for two of the indicators, but met only two of the seven sub-targets for the third indicator. This delivered the Fund an overall performance rating of 67% for all of its targets for this period. Regarding the three remaining KPIs:

? KPI 1 measured the number of lives saved and infections averted. The 2016 data is yet to be finalized, but the results gathered so far show the Fund was well on track to meet its target of saving 10 million lives, and will surpass its aim to avert 140 million new infections.

? KPI 3 allows the Fund's progress towards meeting the strategic goals set out in KPI 1 to be tracked over time. The indicator includes seven measures, and all of these targets were met or exceeded. A standout was the number of people alive on antiretroviral (ARV) therapy, for which the Fund targeted 7.3 million, but hit 10.9 million.

? KPI 2 was a disappointment, though. The Fund missed five of the seven targets that make up this indicator. The biggest underperformance was the percentage of HIV-positive pregnant women who received antiretrovirals to reduce mother-to-child HIV transmission. The target was to reach 90% of relevant women, but only 77% was achieved.

Below, we report on the 2017-2022 targets set at the Board meeting just completed. (Although the targets are for the 2017-2022 KPI Framework, which is a six-year period, most of the targets for the Framework have been set for three years).

#### KPI 3 – Alignment of investment with need

This indicator works in conjunction with KPI 7 (Fund utilization) to gauge whether the Fund is allocating money to countries that cannot spend it, or giving it to others that are able to absorb it, but where the need is not as great. To calculate a result for this indicator, the countries' share of funding is compared with their share of need, and then all the differences between the two are added together. A result of 0 indicates perfect alignment.

The Board has been advised that the trend in the result over time is more important than the actual result. They have also been told that a downward trend shows that countries with the highest burden are able to use the Fund's grants, and that the grants are being given to countries with the greatest need. The target for 2017 was set at 0.46, but that was revised to 0.36 using an updated definition of need. The target for 2020 has now been set at 0.32.

#### KPI 6a – Strengthen systems for health: procurement

This indicator measures improvement in national procurements by countries by assessing (a) the proportion of prices for products that are at or below the Pooled Procurement Mechanism (PPM) reference price; (b) the percentage of consignments delivered on-time and in-full (OTIF); and (c) the time taken between starting the process to buy a product and placing the order. Setting the targets was postponed until 2017 to ensure that they would be aligned with the new Supply Chain Strategy.

In 2015, the percentage of prices at or less than the PPM reference price was 76%; the new target is

100%. In 2015, the percentage of consignments delivered OTIF was 58%; the new target is 60%.

As for the administrative lead time, the baseline for this target is dependent on enhancements to Price and Quality Reporting data. As a result, this target can only be set after those improvements have been made.

#### KPI 6b – Strengthen systems for health: supply chains

This indicator measures the effectiveness of investments in strengthening health product management systems by assessing to what extent the systems are contributing to essential treatments being continuously available. The indicator focuses on the availability of a consistent set of treatments for HIV, TB and malaria, and items used to provide diagnostic services. The target is a 15% reduction per year in the products that are not available.

However, there has been some delay in determining what the baseline is for this indicator because this information had to be taken from the Health Facility Assessment which only became available this year. The Board has been told that collection of that data is underway, but will not be available until sometime this month.

#### KPI 6e – Strengthen systems for health: ability to report on disaggregated results

The purpose of this indicator is to track the percentage of countries reporting to the Secretariat disaggregated data on core indicators: age and sex for two HIV and TB indicators each, and age for two malaria indicators. Until now, just three out of 53 countries (5.7%) have reported all of the required data, while a further 38% of countries reported some of the data needed. This target aims for 50% of countries reporting desegregated results by 2019.

The Board has been warned that new data systems and processes need to be rolled out before some countries can collect and report the necessary data, and that putting these in place will take some time.

#### KPI 12b – Availability of affordable health technologies: affordability

The aim of this indicator is to examine how much success the Global Fund is having at reducing the cost of some of the health products used in its programs. The 2016 baseline for this indicator is \$149 million; the targets are \$135 million for 2017, and \$50 million for 2018.

The documents presented to the Board note that prices are subject to change as a result of the tender cycle and tender results, because demand for products affects the price the Fund can negotiate. They point out that the Secretariat has been focused on driving savings on three key products – bed-nets, ARVs and anti-malarials – and that the procurement cycle for all three will be completed at the end of this year. New cycles will start in 2018, at which time it will be clearer what the demand is for certain products, and what price the organization can negotiate. For this reason, the 2018 target is tentative; it will be reviewed in the first quarter of 2018 when demand visibility is better.

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