



Independent observer  
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## GLOBAL FUND MAKES SIGNIFICANT PROGRESS ON STRATEGY IMPLEMENTATION DURING A BUSY YEAR OF GRANT-MAKING

A report prepared for the Board meeting on 14-15 November in Geneva, Switzerland provided an update on the implementation of activities under the objectives and sub-objectives of the Global Fund's 2017-2022 Strategy. For each sub-objective, the report described the progress achieved to date, as well as key challenges and risks, and future plans. In addition, the report identified the key performance indicator (KPI) tied to each sub-objective. In most cases, full reporting on the 2017-2022 KPI Framework will not be available until early 2018.

The Secretariat has committed to provide two progress reports per year, this being the second such report. The first was provided to the Board at its 37th meeting in May 2017 (see [GFO article](#).)

Overall the report acknowledged the significant progress made in achieving key milestones related to the Strategy, but noted that in many instances, work is progressing more slowly than planned. This is due to a number of factors including overly ambitious planning, insufficient staffing, issues with internal coordination and a flurry of activity around grant-making and grant approvals.

In addition, the report explained that many delays are the result of the late approval of catalytic funds and allocations in 2016. The Secretariat has requested the Board's input on how allocation-related decision-making processes can be sped up to facilitate implementation.

In this article, we provide examples of progress made under the first of the four strategic objectives – “Maximize impact against the diseases.” The examples have been summarized below under the five corresponding sub-objectives:

- a) Scale-up evidence-based interventions with a focus on the highest burden countries with the lowest economic capacity and on key and vulnerable populations disproportionately affected by the three diseases.
- b) Evolve the allocation model and processes for greater impact, including innovative approaches differentiated to country needs.
- c) Support grant implementation success based on impact, effectiveness, risk analysis and value-for-money.
- d) Improve effectiveness in challenging operating environments (COEs) through innovation, increased flexibility and partnerships.
- e) Support sustainable responses for epidemic control and successful transitions.

For space reasons, we have had to be selective about which examples we include. We will report on progress made against some of the other strategic objectives in future issues.

#### Scale up evidenced-based interventions

The Global Fund is testing key components of the Impact through Partnership approach, which supports countries that are having difficulties implementing grants; and the Partner Support Platform. For example, the Global Fund conducted a joint partner mission to Cote d'Ivoire where it identified opportunities to improve the achievement of program results.

In addition, the Global Fund continues to apply allocative efficiency modelling in high-impact countries. The model was applied in Bangladesh (HIV), Zimbabwe (TB, malaria) and the Philippines (malaria), and the results were used in the development of funding requests and grant negotiations. It is anticipated that support for the development of national strategic plans (NSPs), program reviews and implementation will carry on through 2017-2019. A request for proposals for the Sustainability, Transition and Efficiency Strategic Initiative has been launched and has generated interest from the Democratic Republic of Congo, Malawi, Cote D'Ivoire and Tanzania.

A challenge has been noted around the capacity of countries to produce projections of program impact and efficiency for the development of NSPs and funding requests. As a result, the Global Fund will collaborate with technical partners to address existing barriers and to institutionalize efficiency modeling and data use in national programs.

#### Evolve the allocation model

On the topic of catalytic funding, the Global Fund has undertaken a regional consultation process for multi-country grants. Multi-country funding is designed to address priority issues that cannot be addressed through country grants alone. The Global Fund has allocated \$260 million to this approach over the allocation period (see [GFO article](#)). In September, the Technical Review Panel (TRP) reviewed two proposals from pre-identified applicants, one on TB in Mining in Africa, and the other on Malaria Elimination Initiative in Latin America and the Caribbean.

Concerning strategic initiatives, which support country grants but are funded separately, there have been challenges agreeing with partners on audit and access rights. The Secretariat and the OIG are working on a way forward to avoid further delay.

A total of 29 matching fund proposals valued at \$163 million have been recommended for review. This

amount represents 47% of available monies. [Matching funds](#) are designed to incentivize programming of country allocations around six predetermined priority areas.

#### Support successful grant implementation

The financial risk management guidelines are currently being validated by the Management Executive Committee, and anti-fraud guidelines are being developed.

Risk and assurance plans have been developed in Cameroon, South Sudan, Uganda, Zimbabwe, Mozambique, Democratic Republic of Congo, Ghana and Tanzania. These plans aim to identify, mitigate, monitor and manage risks that could prevent a grant from reaching its stated objectives. Also, an Integrated Risk Tool will be completed by December 2017. More information on risk and assurance planning is available on the Fund's website [here](#).

Country teams have all been trained on the recently developed guidance around a new grant-making approach. A spokesperson for the Secretariat told Aidspan that the changes are mostly related to internal systems and do not materially affect countries.

In addition, the Secretariat has been successfully rolling out its differentiated application approach. Out of the 164 country funding requests submitted in Windows 1, 2 and 3 in 2017, 72 were program continuation, 51 were tailored and 41 were full applications. So far, 136 applications from Windows 1 and 2 have moved forward for grant-making. They represent \$8.2 billion and 80% of the total allocation funding. The Strategy Committee approved a prioritization framework for unfunded quality demand (UQD) in June 2017 and updated the UQD register in August.

Given the country teams' heavy workload, the Secretariat is exploring the possibility of putting in place portfolio optimization with full analysis only in 2018, while dealing with potential urgent cases in 2017 on a case-by-case basis. Portfolio optimization refers to the process of (a) moving surplus funds from individual grants to the Fund's general resource pool and then (b) allocating funds from the general pool to other grants where needed. These funds are often used to fund initiatives in the UQD Register.

#### Improve effectiveness in COEs

The Secretariat has established a process to review the portfolio of countries identified as challenging operating environments (COEs) to better understand the flexibilities required to deviate from standard procedures, and to identify potential risk mitigation measures. Also, eight of 17 non-high-impact COE countries have been reviewed in depth (they were not named in the report). A tool has been created to gather information on the types of the flexibilities being requested by country teams. The Secretariat is undertaking ongoing discussions with partners to create a protocol to better manage acute emergencies that arise.

#### Support sustainable responses

Sustainability and transition planning progressed, albeit more slowly than expected due to heavy country team workloads.

Transition planning continues, centered on Asia, Europe, and Latin America and the Caribbean (LAC). In LAC, transition readiness assessments (TRAs) have been completed in Jamaica (HIV), Cuba (HIV), Paraguay (HIV/TB), Panama (HIV/TB) and the Dominican Republic (HIV/TB). TRAs are underway in Suriname (HIV, TB and malaria), Belize (HIV/TB) and Bolivia. In addition, the Global Fund commissioned the development of a social contracting diagnostic tool on public financing of civil society organizations for health service delivery. Analyses using this tool have been completed in Paraguay (HIV/TB), Panama (HIV/TB), Dominican Republic (HIV/TB) and Guyana (HIV).

In Eastern Europe and Central Asia (EECA), TRAs have been completed in Armenia, Belarus, Bulgaria, Georgia, Ukraine, Moldova, Kosovo, Kyrgyzstan, Turkmenistan and Uzbekistan. TRAs are in progress or planned for Romania, Azerbaijan, Kazakhstan and Tajikistan. In addition, the Eurasian Harm Reduction Network (EHRN) has completed a series of case studies specifically looking at the impact of transition on harm reduction programs in Albania, Bulgaria, Macedonia, Montenegro and Romania.

Across the rest of the portfolio, TRAs have been completed in the Philippines (HIV), Botswana (HIV) and Morocco (HIV). Sri Lanka's (malaria) TRA is currently in progress.

Once completed, the TRAs inform transition work plans and sustainability plans. The report also notes that all of the CCMs in countries that have been identified as priority countries for transition have included transition-related activities in their funding requests.

A sustainability, transition and co-financing course has been developed to strengthen the capacity of Secretariat staff to manage transitions and embed sustainability considerations into grants and programs. In total, 70 staff will take the course this year, which represents 80% of fund portfolio managers working in countries that are preparing for transitions.

The Secretariat plans to continue providing technical support to countries in 2018-2020 for the development of national health accounts.

Lastly, work is ongoing to classify 50 priority countries implementing health financing strategies. These strategies aim to support countries to diversify and expand sources of domestic funding to allow the health sector to be increasingly self-reliant and sustainable without the help of external financing.

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In sum, despite delays and a grueling workload for country teams, these activities represent significant progress on implementation during a busy year of grant-making.

Board document GF-B38-11 "Update on the Implementation of the 2017-2022 Strategy," should be available shortly at [www.theglobalfund.org/en/board/meetings/38](http://www.theglobalfund.org/en/board/meetings/38).

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