



Independent observer
of the Global Fund

“DELIVERING THE FINAL YEAR OF THIS GRANT CYCLE AND PREPARING FOR THE NEXT ONE”

In his fourth annual report to the Global Fund Board since taking office in early 2019, Peter Sands delivered a well-articulated and specific speech on the challenges faced for the last six months. He organized his performance according to three main priorities: an assessment of the progresses against the 2020 priorities announced one year ago; an overview of the response to COVID-19 and an early view of the priorities for 2021 and beyond.

Assessment of the progress against the 2020 priorities announced a year ago

Peter Sands divided this assessment into six categories.

Figure 1: Six categories of assessment of progress

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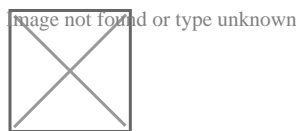


Actively support countries to develop impact grants for the next 3-year period

According to Peter Sands, most countries are on track to sign high-quality implementation-ready grants by the beginning of the next cycle. About \$11.4 billion of allocation funding will have been reviewed and recommended by the Technical Review Panel (TRP) by the end of 2020, which is nearly 90 percent of the initial allocated amount, compared to \$9 billion and 88 percent at the same point in the last cycle. The top priority for most of the Secretariat is the finalization of grant-making, grant review and grant signing: 171

grants representing \$9.3 billion have been registered for approval by the Grant Approval Committee (GAC) in the second half of the year. However, given delays in TRP submission, ongoing logistical constraints and acute pressures on in-country capacity, the peak of GAC registrations has slipped from late October to late November. In this context, it seems inevitable that interim arrangements will have to be made in several countries for a short period while the new grants are finalized. There are several options for providing such flexibility, which will be utilized depending on the circumstances in specific countries. The Secretariat will only initiate grant extensions where absolutely necessary (for example, when very long delays are expected), since the burdensome procedures associated with grant extensions will only exacerbate the workload on Principal Recipients (PRs) and the Secretariat.

Figure 2: Current vs. historical Grant Approval Committee registrations



Source: The Global Fund, Executive Director's Report; Grant Operating System (GOS), as of 23 October.

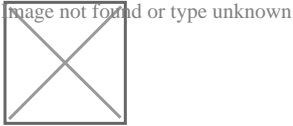
Peter Sands emphasized, in the context of the challenging COVID-19 environment, that grant quality was an issue of concern. While 89 percent of grants in Window 1 & 2 were rated 'good' or 'very good' by the TRP, both technical partners and the TRP have noted that the quality of funding submissions has been affected by the pandemic. Most of the shortcomings in funding submissions highlighted by the TRP reflect familiar weaknesses (for example, scale and robustness of HIV prevention and community systems investments, quality of data, integration of services, or limited focus on human rights and gender), rather than new issues. The Executive Director acknowledged that the extent of disruption to Country Coordinating Mechanisms (CCMs) and the difficulties in providing technical assistance have limited some of the improvements in submission quality that the Secretariat would like to have seen in the next cycle. Some of the issues raised by the TRP on individual grants are being addressed in the current grant-making cycle.

Of the \$915 million in catalytic funding for the new cycle, including matching funds, multi-country funds and strategic initiatives, we anticipate around \$400 million will be put forward for Board approval this year following the GAC's recommendation, to enable integration in grants starting in January 2021.

Drive impact from current grants in their final stage

According to Peter Sands, the Global Fund partnership continued to have enormous impact in 2019, contributing to saving six million lives, 20 percent more than in 2018, and taking the cumulative total to 38 million. This is despite the fact that the Global Fund partnership was off track against its goals for 2030 for all three diseases. Continued progress in reducing HIV deaths has not been matched with equivalent progress in reducing new infections, which at 1.7 million in 2019 showed no increase since 2018. The Global Fund partnership has continued to make progress in finding missing people with tuberculosis (TB) and in closing the treatment gap for those with multidrug-resistant tuberculosis (MDR-TB). However, with about three million undiagnosed and untreated people with TB, and about 1.5 million deaths annually, the results underscore that much greater effort is required. Additionally, the effects of COVID-19 on TB patients have been dramatic: resources have been diverted, TB patients have been stigmatized, and the constant efforts to identify missing cases have been partly lost. The results for malaria treatment show deaths continuing to fall, albeit at a reduced rate. However, there is little progress in reducing the number of cases, and there are alarming increases in some of the highest burden countries. Additionally, COVID-19 has impeded the achievement of these ambitions, disrupting prevention and treatment across all three diseases. Roughly 70 percent of the service delivery programs across all three diseases have experienced disruptions. Rather than stepping up the fight against HIV, TB and malaria, much of the partnership's efforts have had to focus on mitigating the damage and protecting gains. Early in the crisis, modelling by the World Health Organization (WHO), the Joint United Nations Programme on HIV/AIDS (UNAIDS), and the Stop TB Partnership starkly showed what was at stake. Without urgent action, Peter Sands regrets that all the gains achieved over the last decade could be lost.

Figure 3: COVID-19 induced level of disruption to service, product and in-country system

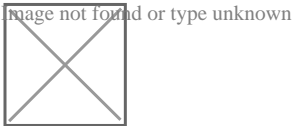


Source: Executive Director's report to the 44th Board meeting

Planning and consultations for the next Global Fund strategy

Due to COVID-19, the original plans for the Global Fund strategy had to be adapted, including a face-to-face Board retreat, in-person Strategy Committee (SC) discussions and three regional Partnership Forums. Under the guidance of the SC and Board Leadership, the process has been held online, including the open consultation, constituency and partner dialogues, Board and SC discussions, and in due course, virtual Partnership Forums.

Figure 4: Timeline of strategy development



Most Constituencies have commended the Secretariat's efforts to remain on track with the original chronogram. A proposal to produce a working document available to Board members prior to the next Board Retreat was made. Convergencies (such as the importance of a person-centred approach, priority investments for hardest-to-reach populations and resistances) and divergencies would be communicated, as well as how this strategy will be implemented in order to produce the expected impact, and which tools would be designed to correctly capture these results. This will help focus the discussion: the trade-offs that will need to be made between short-term impact and longer-term sustainability of the gains, the core mandate to eliminate the three diseases and the broader investment in health systems.

Reinforce capabilities and impact on key strategic priorities and improve efficiency and effectiveness

Some investments were made at Secretariat level in accordance with the priorities that had been identified a year ago. Some departments have gone through transformation (new appointments in the Technical Assistance Partnership and of HIV specialists, as well as a new Head of the Health Financing Department). Some Initiatives such as the CCM Evolution whose rollout has been expanded (including the Code of Conduct) or the Accelerating the Movement in Western and Central Africa that has contributed to identifying and unblocking obstacles to absorption and impact.

The report also highlights some advances in risk management and governance that enabled the Office of the Inspector General (OIG) to conclude that the Secretariat has reached "embedded" status by March 2020. The Performance & Accountability (P&A) framework is currently being developed, establishing a process model for the Secretariat's operations, with the definition of 52 key processes and corresponding performance metrics, that will provide a platform for continuous improvement.

However, some projects had to be deferred or downscaled, due to travel restrictions and the need to focus scarce resources on immediate priorities, for example: CCM Evolution, including the roll out of the Code of Conduct; the roll out of updated Codes of Conduct for Suppliers and Recipients, numerous IT projects; and the development of the new Monitoring & Evaluation (M&E) Framework. Peter Sands has praised the high level of engagement and rare effort made by the staff, mentioning that the most recent survey conducted internally shows a high risk of burnout (55 percent of the interviewed felt there were not enough staff members in their teams to handle the workload) as

well as feelings of discrimination (51 percent feel everyone is treated fairly, and another 21 percent feel they have been victims of some form of discrimination). He also acknowledged the progress that needed to be made on burning issues such as diversity and inclusion among the Secretariat, an issue that was raised by the [ombudsman](#) after she conducted internal discussions on the topic.

Main points of discussion during the Board session

All the participants have regretted the significant and devastating impact of COVID-19 on the fight against the pandemics, as well as on the international donors' community, given the fact that developed countries have been greatly affected by the pandemic and will favor investments in protecting their own population with the vaccine. Discrepancies in activities need to be assessed, and priorities will have to be identified so that the people who have been lost to follow up, who are often most at risk, are reached again. KPIs were not on track before COVID-19 started, but it is clear that the pandemic has caused a major disruption in the achievement of results, and that some measures need to be taken in order to think of how to reach the 2030 Sustainable Development Goals. According to some constituencies, an immediate hold on all transition plans prepared by the Secretariat is justified for transitioning countries that have been affected by COVID-19 (since those countries will face a recession following COVID-19).

The Board has also commended the high level of reactivity and flexibility of the Secretariat regarding COVID-19, the reprogramming, and the roll out of C19RM, that showed a positive adaptation to the external international crisis. Some constituencies have expressed their concern on the additional workload related to COVID-19, and asked for a strong refocus on the core mission of the Global Fund which is to provide services for populations affected by HIV, TB and malaria.

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