

Global Fund Secretariat Management Response to Strategic Review 2020 (SR2020)

Introduction

The Technical Evaluation Reference Group (TERG) is a critical component of the Global Fund Partnership, providing independent evaluations of the Global Fund's business model, investments and impact to the Global Fund Board through its Strategy Committee. The Global Fund values transparency and publishes TERG reports according to the TERG Documents Procedure approved by the Strategy Committee.

The Global Fund Secretariat welcomes the Strategic Review 2020 conducted by the TERG and thanks the TERG for its engagement with the Secretariat during the review process. Overall, the Secretariat agrees with many of the findings and recommendations expressed in the SR2020 report and the TERG position paper and values the timeliness of this review, noting that 4 out of 5 of the core recommendations are related to the next strategy which is currently being developed and will serve as an important input into these discussions.

Areas of Agreement

The Secretariat appreciates the recognition by the reviewers and the TERG of the progress that has been made to maximize impact of Global Fund investments and scaling up our response across the three diseases. We acknowledge that gaps remain and that in some areas, including equity, human rights and gender, progress has been limited or, in the case of RSSH, uneven. The Secretariat also acknowledges that the COVID-19 pandemic has and will affect progress and that there will be a need to accelerate progress in fighting the three diseases, building RSSH, and reducing human-rights and gender-related barriers to health.

With respect to the 5 Strategic Recommendations (SR) and the corresponding Operational Recommendations (ORs), we would like to highlight that many of these have been actioned upon or will be considered for the next strategy period. For example, TRP recommendations are systematically tracked through our internal data systems and progress against them is reported to the Board when approval is requested for individual grants (Operational Recommendation (OR) 1.1) and, as part of its review of 2020-2022 allocations, the Technical Review Panel (TRP) receives status updates on previous TRP recommendations, including those for grant-making and for grant implementation. Likewise, CCMs are continuing to be strengthened through the CCM Evolution initiative (OR 2.6) and work around developing a comprehensive monitoring, evaluation and learning framework is being done alongside the development of the next strategy (OR 2.9). The Strategic Initiative (SI) on Sustainability, Transition and Efficiency is working with technical partners to support countries in prioritizing NSPs and funding requests through the use of disease transmission models and costing tools to enhance allocative and technical efficiency (OR 1.3) and the Secretariat is also

examining how a more systematic and consistent approach to Program Reviews can more effectively include review of the underlying NSP.

The Secretariat agrees with the TERG finding that the use of catalytic investments should be more selective (OR 1.5) and focused on areas where additional investments for specific thematic areas (i.e. human rights, prevention, adolescent girls and young women, and specific regional priorities) can help countries scale-up new or existing interventions that will help countries achieve impact in specific areas.

In relation to the TERG observation on prioritizing achieving results during the remainder of the current strategic period and leveraging this to enhance the impact from the start of the next strategic period (SR 2), the Secretariat agrees and notes that there is ongoing work directed at strengthening programmatic performance management. A Secretariat Monitoring and Evaluation Working Group has already supported the development of a prioritized and focused evaluation calendar for 2021-2022 and will further develop the Monitoring and Evaluation Framework in 2021, alongside the development of the next Global Fund Strategy (OR 2.1).

The Secretariat already committed as part of its response to the TERG thematic review on the Sustainability, Transition and Co-financing (STC) policy to continue and intensify efforts related to value for money (VfM) across the portfolio, including an enhanced focus in the 2020-2022 funding request development and grant-making processes. A framework for VfM has been developed and relevant guidance notes for applicants lay out core pillars and related activities along the grant life cycle. Effort is ongoing to strengthen processes to monitor and manage VfM, achieving Global Fund's strategic priorities and well-balanced progress along different dimensions of VfM (OR 1.4 and OR 2.2)

With respect to the further embedding differentiation throughout the Global Fund business model (OR 5.2), the Secretariat notes that the concept and principles of differentiation are already a central pillar of the current Global Fund strategy, and are embedded in the Global Fund's business model and relevant policies, including the application focus requirements and co-financing requirements of the STC policy, the Challenging Operating Environment (COE policy) and the differentiated approaches for accessing Global Fund financing. We agree that strategies for further strengthening differentiation is an important ongoing discussion for the strategy development process.

In order to study the implications of differentiation across the Global Fund business model (OR 2.7), the Secretariat has already started thematic reviews and evaluations. The private sector engagement thematic review is currently underway and will be finalized in 2021, and the performance-based financing thematic review, which will include modalities such as direct facility financing, will start in 2021. There is also an evaluation that will be taking place to examine working in decentralized environments, and the Office of the Inspector (OIG) review of grant implementation in Western and Central Africa also reviewed implementation models and made subsequent recommendations.

Observations on Other Recommendations

There are number recommendations – for example, consideration of new grant modalities (OR 2.8), Development of a Theory of Change (OR 4.1), positioning of programmatic and financial sustainability (SR 5) – which are forward looking and are being considered alongside the development of the next Global Fund strategy.

While the Secretariat broadly agrees with the majority of the recommendations and conclusions, the Secretariat agrees with the TERG position that some of recommendations are too high level and lack specificity and therefore it is unclear how they can be operationalized and what the trade-offs

would be in order to implement them. For example, SR 3, which recommends the Global Fund strengthen its “ability to adapt the range of possible contexts that it might operate in post COVID-19, which should be an important new emphasis in the next strategy”, is too broad and lacks specificity to be operationalized. The Secretariat agrees on the need for continued flexibility, without detracting from our response to HIV, TB and malaria, of the partnership to respond to COVID-19 and potentially other infectious disease threats – such as antimicrobial, drug and insecticide resistance- and notes that there are opportunities to work collaboratively with partners to leverage collective expertise to help countries be more effective in fighting infectious diseases – both existing and future ones. The Secretariat has designed and rolled out COVID disruption monitoring tools to track impacts on grant results and adaptive measures in countries.

The SR2020 has made several recommendations which relate to strengthening country and technical partner capacity which are important to achieving impact at country-level. The Secretariat is of the opinion that these recommendations need to consider the larger landscape and where the Global Fund is uniquely situated to catalyze and achieve impact. For example, the Secretariat does not feel that it is the mandate of the Global Fund to assess technical partners capacities at country level (OR 1.2) and that the selection of technical assistance selection and management should be country-led. The Secretariat is working to strengthen our partnership approach to technical assistance, in particular as it relates to brokering and matching demand with available providers at country level.

While the Secretariat agrees in principle with recommendation that there is a need to continue to address organizational disincentives vis-à-vis proportional risk-taking (OR 2.5), a significant shift in this area would require greater alignment with the Board and the Office of the Inspector General (OIG) on where there is more appetite to take or accept more risk in order to achieve programmatic impact.

With respect to considering new grant modalities and longer implementation periods for grant agreements (OR 2.8), the Secretariat does not agree with this recommendation. While the Secretariat agrees on the need to provide countries with a longer-term planning & funding horizon, there is disagreement on the ‘how’. One of the pillars of the new funding model was to enable greater visibility and the introduction of an allocation-based funding model has allowed for countries to have greater clarity around the timing and prospective amounts of funding.

While often focused on review, negotiation, and grant-making, the country dialogue process *also* allows for longer-term planning conversations that are rooted in national strategic plans – which have a longer timeframe. While grant agreements are limited to three-years many programs (*or specific interventions*) are continuing programs and are not starting from scratch every three years. The National Strategic Plan (NSP) and program continuation application modalities enable and incentivize the adoption of program horizons beyond the grant implementation period. These modalities can be further strengthened in the next cycle, noting that the Global Fund operates on a three-year replenishment model and there is an inherent tension in this recommendation.

The Secretariat shares the TERG’s ambivalence on SR 5 which recommends positioning financial and programmatic sustainability as a high-level strategic priority in the next strategy. The Secretariat agrees with the importance of strengthening both financial and programmatic sustainability, and notes that the SR2020 report acknowledges the initial progress and the Global Fund’s significant efforts to prioritize sustainability in the current strategy and via the implementation of the STC Policy. The prioritization of this topic and initial progress was also highlighted in the recent (2019) TERG Thematic Review on the STC Policy implementation. The Secretariat believes that it is essential to continue to embed our approach to financial and programmatic sustainability across all aspects of the Global Fund’s work and shares some of the same reservations highlighted by the TERG regarding the recommendation to make this a self-standing strategic objective. Strengthening sustainability, enhancing domestic financing, and supporting countries to prepare for transition will

remain a critical priority of the Global Fund's efforts for the remainder of the 2017-2022 strategy implementation period, and the Secretariat looks forward to further discussing this priority during the strategy development process.

Conclusion

The Secretariat thanks the TERG for our continued partnership to strengthen the impact of the Global Fund. Independent periodic strategic reviews provide an opportunity for reflection and this review is particularly timely as the Global Fund is developing its next strategy. Many of the recommendations as noted above are already being implemented and the Secretariat will continue to look at ways to improve operationalization both within the current strategy period and the next.