Technical Evaluation Reference Group: Thematic Evaluation of the Global Fund's Performance in Challenging Operating Environments (COE)

TERG Position Paper, Management Response and Final Report

December 2022

TERG Position Paper on the Thematic Evaluation of the Global Fund's Performance in Challenging Operating Environments (COE)

Executive Summary

Context

The Strategy Committee (SC) requested the Technical Evaluation Reference Group (TERG) to undertake an evaluation of the Global Fund's operationalization and implementation of its Challenging Operating Environments (COE) Policy which was approved by the Board in 2016 and came into effect in 2017. This evaluation was requested to assess whether adjustments are needed as the Global Fund prepares for the next round of grants (NFM 4) and implementation of the 2023-2028 Strategy.

Questions this paper addresses:

- How has the COE policy been **operationalized** across the Global Fund COE portfolio in NFM2 (2017-2019) and NFM 3 (2020-2022) funding cycles?
- How has the COE policy contributed to enhancing or impeding the Global Fund strategic and disease priorities?
- How has the **implementation** of the COE policy performed against the three principles governing Global Fund investments in COEs, i.e., flexibility, partnerships, and innovation?
- How **effective and efficient has** the grant implementation been in a sample of the COE portfolio countries including in reprogramming?
- What role did risk assessment for Global Fund investments play in selected countries representing different COE contexts?
- What was the impact of the **COVID-19** pandemic on the performance of COE portfolio?
- Did COE policy, including program adaptability of the three diseases to COVID-19, provide useful lessons to inform pandemic preparedness and response in COE contexts?
- What are the **key lessons** learnt from implementation of the COE Policy?

Key Conclusions from the Evaluation

Although the evaluation focus was on the operationalizing and implementation of the policy and not the policy itself, the evaluators did conclude that the policy itself "has been found to be necessary, appreciated, and utilized" and that the policy had been well operationalized at the Secretariat level. However, the evaluators found that there was considerable scope to enhance the policy's implementation to further strengthen program outcomes in COE portfolio countries. Based on their findings the evaluators came up with the eight key lessons and conclusions listed below:

1. Unclear and inconsistent individual risk appetites constrain the use of the policy and contributes to inconsistent operationalization.
2. Limited understanding of the COE policy at the country level, and the lack of a structured opportunity to consider flexibilities, innovation and partnership appropriate to the context contributes to the policy not fulfilling its potential.
3. Periodic COE stakeholder meetings hosted by the Secretariat's COE Team are appreciated opportunities for exchanging lessons learned, yet additional opportunities for learning and sharing are needed.
4. The standard three-year program planning cycle is insufficient to achieve measurable change in health systems contexts, particularly amidst chronic instability.
5. Human resources for health (from program management to service delivery) are often particularly scarce in COE settings due to insecurity, out-migration and violence.
6. In some COE contexts, governance and implementation structures can by-pass government programs and local stakeholders for expedience, resulting in strained relationships and a lack

of ownership by national authorities. Clear plans for strengthening engagement of governments and local stakeholders in program implementation are needed, but seldom exist, and were not evident even for transition from ASP in some contexts.

7. Despite the increased risk of sexual exploitation and harassment in unstable contexts, no evidence was found of consistent or appropriate efforts to apply the Protection from Sexual Exploitation and Abuse, Sexual Harassment and Related Abuse of Power Operational Framework (2021) – nor to ensure the safety and security of key and vulnerable populations (KVPs), particularly in their engagement with Global Fund activities – due to lack of prioritization and resources.
8. Despite the well-established link between GBV and HIV transmission, and the increased risk of GBV in unstable contexts, limited evidence was found of adequate consideration of gender-responsive approaches and GBV support or partnerships in COE countries due to a lack of prioritization and resources.

These lessons and conclusions were developed into eight key recommendations. Given the focus of the evaluation, seven of these recommendations are operational. Only the first recommendation, on an adapted risk acceptance approach, is strategic and requires particular SC and Board consideration. However, the TERG draws the SC's attention also to the operational recommendations because they address issues of implementation several of which have been raised in other evaluations. Action on them will be critical to the Global Fund delivering on key commitments in its 2023-2028 Strategic goals, including on the 10 examples of aspects of the Strategy that have been identified as key to accelerate the pace of implementation.

Based on the evaluation findings and these high-level conclusions, the report provides eight main recommendations as depicted in Table 1 below.

Table 1: Evaluation Team Strategic and Operational Recommendations

Strategic Recommendation
1. **Agree on an adapted risk acceptance approach with clear financial risk thresholds for COE grant portfolios and provide clear guidance to the relevant departments across the Secretariat and country implementing partners for NFM4**. Communicating a higher and clearer level of financial risk acceptance to CTs and country-level partners will facilitate greater use of the policy and encourage innovation. **Who:** Risk management team, Management Executive Committee, Board? **When:** NFM4 funding request development processes.
Operational Recommendations
2. **Ensure a more consultative process to engage country stakeholders on operationalizing the COE policy during NFM4 and future grant making processes**. Built into the revised Operational Policy Note, this process can include an orientation to the policy, rationale for COE designation, and a participatory review of the operational plan for program implementation, with discussion on what flexibilities are necessary to facilitate the process. It should also include discussion of how the COE policy and ASP (where appropriate) will be jointly utilized. **Who:** GF Secretariat (A2F requirements and OPN update to reflect this more consultative process). **When:** At the beginning of NFM4 grant implementation.

3. **Pilot packages of pre-defined flexibilities for five or more COE countries representing diverse contexts, to test whether an automatic/opt-out differentiated approach contributes to improved results within acceptable risk thresholds**. These packages may include simplified funding request and reporting templates, fewer indicators, longer reporting timeframes, automatic limited liability clauses for implementers in high-risk areas, adapted allocation formula, increased budget flexibility, flexible reprogramming timeframes, and shorter approval timelines. This process can be reviewed for modification or scale-up for NFM5.

   Who: GF Secretariat.
   When: During NFM4 grant making and early grant implementation.

4. **Ensure that practical examples of COE best practices with regards to flexibilities, innovation and partnerships are referenced in the OPN and routinely documented and disseminated, particularly in preparation for grant negotiations during NFM4, and throughout the funding cycle**. Ensure that successful case studies – including examples of tools and templates used – are well known to support adapted replication and efficiency through additional documentation and wider stakeholder meetings. Actions proposed during the learning meetings should be monitored and followed-up in subsequent meetings. Particular attention should be given to sharing solutions found to address regional population displacement issues.

   Who: GF Secretariat.
   When: In preparation for NFM4, and throughout the funding cycle.

5. **Provide clear tools and guidance to support the use of flexible partnerships and contracting mechanisms to encourage partnerships with organizations appropriate to the needs of each COE context in NFM4**. This may include direct service contracts with the Secretariat, or blended financing and payment-for-results/direct facility funding contracts at the country level, drawing on best practices identified in COE and non-COE designated high-risk environment countries. It should also include clearer guidance on how the CCMs (or equivalents) and PRs should engage the humanitarian community.

   Who: GF Secretariat.
   When: In preparation for NFM4 grant making.

6. **Ensure long-term (6 - 9 years) and contingency planning[1] for strengthening resilient and sustainable systems for health in COE portfolios is undertaken jointly with partners and national stakeholders**. Plans should be prioritized, recognize and address constraints specific to the COE context (e.g., social, political, economic, geographic, cultural aspects), define measurable indicators to assess progress, and provide clear roles for national stakeholders and partners. Consideration should be given to improving the effectiveness of donor support for RSSH through consistent human resources funding policies, and blended finance, multi-donor funds or other innovative finance options. Security of health workers and "do no harm" ethos should be paramount in determining how to address human resources for health (HRH) issues in both the short- and long-term, particularly given the large number of female health workers and lack of gender equity in many of these settings.

[1] "Contingency" in this context refers to planning for, identifying and mitigating potential risks that might prevent accomplishment of a grant program's RSSH or capacity strengthening goals. While related to the contingency planning requested of PRs in the event of an emergency, this is a broader effort to support longer-term RSSH and capacity building efforts in COE settings. The recommendation also aims to bring attention to the need for developing contingency plans, as this was not evident in all COE countries.

Who: GF Secretariat with partner support. **When:** During NFM4.
7. **Facilitate participatory capacity strengthening planning to address underlying constraints to local ownership, leadership and implementation of grants**. Work with appropriate partners (e.g., World Bank, USAID) to develop a grant management capacity assessment and planning tool to be used through a participatory process facilitated by the CT and COE Team with country-level public, private, and community stakeholders and partners to develop a country ownership plan. **Who:** GF Secretariat (Country Teams and COE Team), with partner support. **When:** Develop tool to roll out during NFM4, with plans to run through NFM5 and beyond.
8. **Prioritize implementation of the prevention of sexual exploitation, abuse and harassment (PSEAH) operational framework, including the safety and security of key populations involved in Global Fund activities. In addition, GBV prevention and response requires special attention in COE portfolios**. Ensure that COE country proposals identify SEAH- and KP safety and security related risks, and incorporate corresponding mitigation measures into program design, preferably through use of the SEAH risk assessment tool.[2] Coordinate with the GBV cluster at the country level to determine how Global Fund investments can best be leveraged to mitigate the risks and consequences of GBV – a key contributing factor to HIV transmission in emergency and unstable settings – and other forms of violence and harassment against key and vulnerable populations. **Who:** GF Secretariat (A2F, with technical guidance from CRG), with partner support. **When:** During NFM4 grant making and early grant implementation.

The TERG endorses the key findings, high-level conclusions and the recommendations of the evaluation. The TERG recommends that the COE Policy be maintained, as is, without revision at this time as TERG considers the policy adequately robust to address the heterogeneous challenges in the diverse COE Global Fund portfolio countries.

The TERG also notes the following:

- A well-functioning and much appreciated COE Team is in place, which has supported policy operationalization in accordance with the Operational Policy Note (OPN). Comparative analyses and key informants indicate that COE contexts where additional support could add value are generally being appropriately identified. However, in additional to Secretariat engagement, there also needs to be much earlier engagement with country stakeholders in operationalizing the COE policy.
- There is evidence that flexibilities are being utilized, new non-traditional partnerships are bearing fruit, and some innovations, such as the regional mechanism to address HIV, TB and malaria in the Middle East Response (MER), were evident.
- Quantitative evidence indicates that the performance gaps between COE and non-COE designated portfolios noted in 2014 and 2016 (in terms of disbursements and meeting disease targets) were no longer significant by 2021. Responses and agility in acute emergency settings were praised within the Global Fund and by partners for speed and flexibility.

[2] Funding Request Instructions for all categories (Full, Continuation, Focused) published 29 July 2022 include a section on SEAH and state: "For the 2023-2025 allocation period, all applicants are recommended to identify SEAH-related risks and corresponding mitigation measures during program design. The use of the SEAH risk assessment tool is optional." Consideration should be given to requiring these assessments for COEs.

Input Received

The scope of work and the evaluation questions were developed after extensive consultations with the Secretariat and the SC. This evaluation was conducted with substantial contributions from the Global Fund Secretariat stakeholders and inputs from SC as well as relevant external partners and stakeholders at both the global and country level.

Report

Part 1: Background:

1. Challenging Operating Environment (COE) countries or regions are characterized by weak and/or unstable governance, poor access to health services and weak underlying systems, and vulnerability to man-made or natural crises. The TERG review on fragile states[3] in 2014, found that grant performance in these countries continued to deteriorate in all three diseases – particularly malaria.[4] There was growing recognition in the Global Fund Secretariat and the Board, that "among the multiple risks, the main risk for the Global Fund in fragile states is operational", and that these risks threated the achievement of Global Fund's mission in these countries. In response to the TERG review the Board approved the Challenging Operating Environments (COE) Policy at its 35th meeting in 2016[5]. The COE Policy is operationalized through a Secretariat Operational Policy Note (COE OPN)[6] developed in 2017. The Strategic Framework 2017 – 2022 included a sub-objective to "improve effectiveness in Challenging Operating Environments through innovation, increased flexibility and partnership." The 2017 – 2022 Global Fund Strategy acknowledged the importance of responding flexibly and dynamically in COEs. It also acknowledged the importance of adopting a differentiated approach in COE contexts including, but not limited to, leveraging partnerships and innovative and more flexible approaches to implementation.

2. An External Risk Index (ERI)[7] determines a country's classification as a COE within the Global Fund portfolio and the policy. COE policy also allows for ad-hoc COE classification to enable rapid responses to emergency situations. Currently, half (11) of the 22 COE countries in the Global Fund portfolio are in West and Central Africa[8].

3. **Objectives:**
   - **Main Objective 1:** To evaluate how the COE policy has been operationalized across the Global Fund COE portfolio and assess how the COE policy contributes to enhancing or impeding the Global Fund strategic and disease priorities, with a view to ascertaining how policy, processes and practice could be improved.
   - **Main Objective 2:** To assess implementation of the COE policy against the three principles governing Global Fund investments in COEs, i.e., flexibility, partnerships, and innovation:
   - **Main Objective 3:** To assess the effectiveness and efficiency of grant implementation in the COE portfolio and to articulate initiatives in reprogramming; evaluate program

[3] TERG Position Paper: Thematic Review of the Global Fund in 'Fragile States: https://www.theglobalfund.org/media/3006/terg_evaluation2013-2014thematicreviewfragilestates_positionpaper_en.pdf?u=636917016080000000
[4] The Global Fund (2017), Audit Report: Global Fund Grant Management in High Risk Environments, GF-OIG-17-002, Geneva, Switzerland.
[5] GF/B35/03: The Challenging Operating Environments Policy: https://www.theglobalfund.org/media/4220/bm35_03-challengingoperatingenvironments_policy_en.pdf and https://www.theglobalfund.org/board-decisions/b35-dp09/
[6] Operational Policy Manual: Challenging Operating Environment on page 78 -79.
[7] The 10 indices used to construct the ERI are: The Fragile States Index (Fund for Peace); INFORM Index (Inter-Agency Standing Committee Task Team for Preparedness and Resilience); Global Peace Index (Institute for Economics and Peace); UN's Safety & Security Index; Ease of Doing Business Index (World Bank); and five of the six World Bank Governance Indices (Voice and Accountability Index, Government Effectiveness Index, Regulatory Quality Index, Rule of Law Index; and Control of Corruption Index).
[8] OIG Advisory Report Grant implementation in Western and Central Africa (WCA): https://www.theglobalfund.org/media/8493/oig_gf-oig-19-013_report_en.pdf

performance in COE portfolio and risk assessment for Global Fund investments in COE context.

- **Main Objective 4:** To assess the impact of the COVID-19 pandemic on the COE portfolio performance and COE policy implementation including program adaptability of the three diseases to COVID-19 for lessons learnt to inform pandemic preparedness and response in COE context.
- **Main Objective 5:** To identify key lessons from implementation of the COE Policy and provide recommendations to improve the Global Fund's investment in COEs through better grant design and implementation, any policy changes and to inform the new Global Fund strategy implementation.

4. Methods:

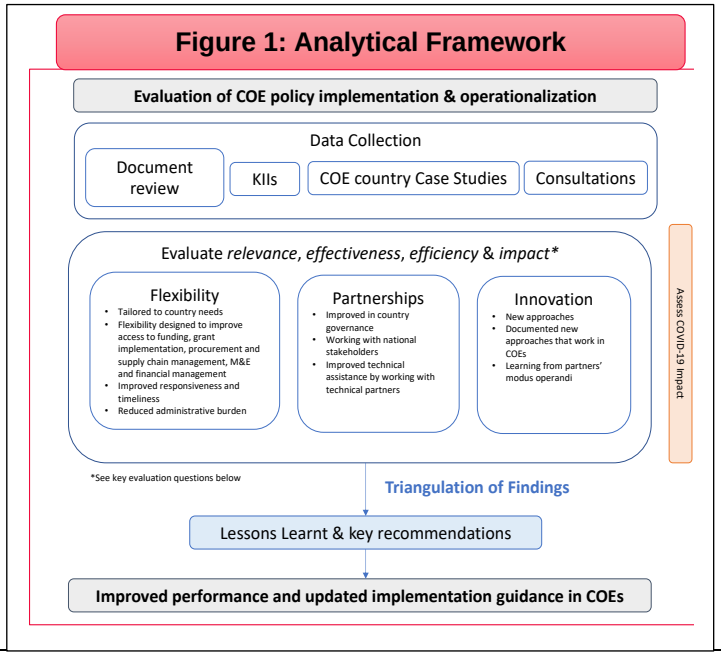
The evaluation used qualitative and quantitative data from primary and secondary data sources collected through 242 key informant interviews, both at central and country level, and from reviewing the literature and numerous documents. The literature included previous TERG, OIG and Technical Review Panel (TRP) reviews as well as reports produced by the COE support team. Eight COE designated countries were selected for deeper analysis. The TERG appreciates the facilitation and early approval of the case study countries, which avoided significant delays which have hampered some other evaluations.

The evaluation's design was guided by analysis and triangulation of both quantitative and qualitative data which were organized in matrices to analyze multidimensionally and to provide the basis for comparative analyses across the case-studies. These layers of analysis include:

- Evaluation criteria: relevance, efficiency, effectiveness, and impact;
- COE policy principles: flexibility, partnership, and innovation; and
- Thematic issues: RSSH; human rights and gender (PSEAH and GBV); and cross-cutting issues, including implementing structures and sustainability.

The consultants consolidated the evaluation questions within an analytical framework, depicted in Figure 1 below.

Figure 1: Analytic framework for COE evaluation



5. **Limitations:**

- **COVID-19 restrictions and COE country specific contexts**. The initial plan had been to conduct four case studies in-country but due to visa and security restriction, only one country (Niger) was visited and stakeholders representing Yemen and Syrian Arab Republic (two of the Middle East Response, MER, countries) were interviewed in Jordan. The consultants recognized that some nuances were harder to uncover with remote case studies. It also meant that some key informants were not available in the limited time available for this evaluation. However, the large number of interviews conducted, and documents reviewed together with triangulation ensured as robust a methodology as possible.
- **Drawing lessons learned through comparing data between grant cycles was difficult**. The COVID-19 pandemic, and Global Fund's subsequent response, have also meant that determining the effects of the COE policy between NFM2 and NFM3 was difficult as there were widespread economic, social and health system disruptions across almost all countries during implementation of NFM3
- **The case-by-case nature of the Global Fund decision-making on COE flexibilities** adds additional complexity to the case-study comparative analysis. The COE countries are all different and need a differentiated approach. This made it challenging to pull out common findings, conclusions, and recommendations

Part 2: Key Findings

6. **Findings and summary of key lessons from the COE Evaluation on the operationalization of the COE Policy:**

- While the Global Fund's country-specific approach to support respects individual country contexts, the variable and unclear risk acceptance levels create uncertainty and contributes to the lack of use of the COE policy.
- Operationalization of the COE policy has not resulted in a consistent, "differentiated approach" to supporting programs in COE contexts, with many secretariat and country-level stakeholders not perceiving a meaningful difference in how the Global Fund works in COE and non-COE contexts.
- The lack of understanding about the COE policy among country-level stakeholders (PRs, SRs, CCM, government, civil society and other partners) results in a lack of utilization of flexibility, innovation and partnership opportunities.
- Use of the policy is inconsistent across Country Teams for different reasons, including the time-consuming nature of preparing the flexibility request (depending on CT size), long approval process, priorities, and different risk appetites.
- Flexibilities are granted more often and more quickly in acute emergency contexts compared to chronic instability contexts.

A summary key lessons learned and conclusions that led to recommendations is as follows:

1. Unclear and inconsistent individual risk appetites i.e. (risk comfort or aversion by CTs, PRs, SRs, LFAs, and other implementing partners) constrain the use of the policy and contributes to inconsistent operationalization.

2. Limited understanding of the COE policy at the country level, and the lack of a structured opportunity to consider flexibilities, innovation, and partnership appropriate to the context contributes to the policy not fulfilling its potential.
3. Periodic COE stakeholder meetings hosted by the Secretariat's COE Team are appreciated opportunities for exchanging lessons learned, yet additional opportunities for learning and sharing are needed.
4. The standard three-year program planning cycle is insufficient to achieve measurable change in health systems contexts, particularly amidst chronic instability.
5. Human resources for health (from program management to service delivery) are often particularly scarce in COE settings due to insecurity, out-migration, and violence.
6. In some COE contexts, governance and implementation structures can by-pass government programs and local stakeholders for expedience, resulting in strained relationships and a lack of ownership by national authorities. Clear plans for strengthening engagement of governments and local stakeholders in program implementation are needed, but seldom exist, and were not evident even for transition from ASP in some contexts.
7. Despite the increased risk of sexual exploitation and harassment in unstable contexts, no evidence was found of consistent or appropriate efforts to apply the Protection from Sexual Exploitation and Abuse, Sexual Harassment and Related Abuse of Power Operational Framework (2021) – nor to ensure the safety and security of key and vulnerable populations (KVPs), particularly in their engagement with Global Fund activities – due to lack of prioritization and resources.
8. Despite the well-established link between GBV and HIV transmission, and the increased risk of GBV in unstable contexts, limited evidence was found of adequate consideration of gender-responsive approaches and GBV support or partnerships in COE countries due to a lack of prioritization and resources.

Part 3: Key Conclusions and Recommendations from the Global Fund's Performance in Challenging Operating Environment Evaluation Report

Based on the report's findings, eight recommendations are categorized under Strategy, and operational recommendations (See Table 2):

Table 2: Conclusions and Recommendations from the Global Fund's Performance in Challenging Operating Environment (COE) Evaluation

Conclusions	Recommendations
1. Unclear and inconsistent individual risk appetites constrain the use of the policy and contributes to inconsistent operationalization.	1. **Agree on an adapted risk acceptance approach with clear financial risk thresholds for COE grant portfolios and provide clear guidance to the relevant departments across the Secretariat and country implementing partners for NFM4.** Communicating a higher and clearer level of financial risk acceptance to CTs and country-level partners will facilitate greater use of the policy and encourage innovation.
2. Limited understanding of the COE policy at the country level, and the lack of a structured opportunity to consider flexibilities, innovation and partnership appropriate to the context contributes to the policy not fulfilling its potential.	2. **Ensure a more consultative process to engage country stakeholders on operationalizing the COE policy during NFM4 and future grant making processes**. Built into the revised Operational Policy Note, this process can include an orientation to the policy, rationale for COE designation, and a participatory review of the operational plan for program implementation, with discussion on what flexibilities are necessary to facilitate the process. It should also include discussion of how the COE policy and ASP (where appropriate) will be jointly utilized.
3. Periodic COE stakeholder meetings hosted by the Secretariat's COE Team are appreciated opportunities for exchanging lessons learned, yet additional opportunities for learning and sharing are needed.	3. **Pilot packages of pre-defined flexibilities for five or more COE countries representing diverse contexts, to test whether an automatic/opt-out differentiated approach contributes to improved results within acceptable risk thresholds**. These packages may include simplified funding request and reporting templates, fewer indicators, longer reporting timeframes, automatic limited liability clauses for implementers in high-risk areas, adapted allocation formula, increased budget flexibility, flexible reprogramming timeframes, and shorter approval timelines. This process can be reviewed for modification or scale-up for NFM5.

4. The standard three-year program planning cycle is insufficient to achieve measurable change in health systems contexts, particularly amidst chronic instability.	4. **Ensure that practical examples of COE best practices with regards to flexibilities, innovation and partnerships are referenced in the OPN and routinely documented and disseminated, particularly in preparation for grant negotiations during NFM4, and throughout the funding cycle**. Ensure that successful case studies – including examples of tools and templates used – are well known to support adapted replication and efficiency through additional documentation and wider stakeholder meetings. Actions proposed during the learning meetings should be monitored and followed-up in subsequent meetings. Particular attention should be given to sharing solutions found to address regional population displacement issues.
5. Human resources for health (from program management to service delivery) are often particularly scarce in COE settings due to insecurity, out-migration and violence.	5. **Provide clear tools and guidance to support the use of flexible partnerships and contracting mechanisms to encourage partnerships with organizations appropriate to the needs of each COE context in NFM4**. This may include direct service contracts with the Secretariat, or blended financing and payment-for-results/direct facility funding contracts at the country level, drawing on best practices identified in COE and non-COE designated high-risk environment countries. It should also include clearer guidance on how the CCMs (or equivalents) and PRs should engage the humanitarian community.
6. In some COE contexts, governance and implementation structures can by-pass government programs and local stakeholders for expedience, resulting in strained relationships and a lack of ownership by national authorities. Clear plans for strengthening engagement of governments and local stakeholders in program implementation are needed, but seldom exist, and were not evident even for transition from ASP in some contexts.	6. **Ensure long-term (6 - 9 years) and contingency planning[9] for strengthening resilient and sustainable systems for health in COE portfolios is undertaken jointly with partners and national stakeholders**. Plans should be prioritized, recognize and address constraints specific to the COE context (e.g., social, political, economic, geographic, cultural aspects), define measurable indicators to assess progress, and provide clear roles for national stakeholders and partners. Consideration should be given to improving the effectiveness of donor support for RSSH through consistent human resources funding policies, and blended finance, multi-donor funds or other innovative finance options. Security of health workers and "do no harm" ethos should be paramount in determining how to address human resources for health (HRH) issues in both the short- and long-term, particularly given the large number of female health workers and lack of gender equity in many of these settings.

[9] "Contingency" in this context refers to planning for, identifying and mitigating potential risks that might prevent accomplishment of a grant program's RSSH or capacity strengthening goals. While related to the contingency planning requested of PRs in the event of an emergency, this is a broader effort to support longer-term RSSH and capacity building efforts in COE settings. The recommendation also aims to bring attention to the need for developing contingency plans, as this was not evident in all COE countries.

7. Despite the increased risk of sexual exploitation and harassment in unstable contexts, no evidence was found of consistent or appropriate efforts to apply the Protection from Sexual Exploitation and Abuse, Sexual Harassment and Related Abuse of Power Operational Framework (2021) – nor to ensure the safety and security of key and vulnerable populations (KVPs), particularly in their engagement with Global Fund activities – due to lack of prioritization and resources.	7. **Facilitate participatory capacity strengthening planning to address underlying constraints to local ownership, leadership and implementation of grants**. Work with appropriate partners (e.g., World Bank, USAID) to develop a grant management capacity assessment and planning tool to be used through a participatory process facilitated by the CT and COE Team with country-level public, private, and community stakeholders and partners to develop a country ownership plan.
8. Despite the well-established link between GBV and HIV transmission, and the increased risk of GBV in unstable contexts, limited evidence was found of adequate consideration of gender-responsive approaches and GBV support or partnerships in COE countries due to a lack of prioritization and resources.	8. **Prioritize implementation of the prevention of sexual exploitation, abuse and harassment (PSEAH) operational framework, including the safety and security of key populations involved in Global Fund activities. In addition, GBV prevention and response requires special attention in COE portfolios**. Ensure that COE country proposals identify SEAH- and KP safety and security related risks, and incorporate corresponding mitigation measures into program design, preferably through use of the SEAH risk assessment tool.[10] Coordinate with the GBV cluster at the country level to determine how Global Fund investments can best to leveraged to mitigate the risks and consequences of GBV – a key contributing factor to HIV transmission in emergency and unstable settings – and other forms of violence and harassment against key and vulnerable populations.

[10] Funding Request Instructions for all categories (Full, Continuation, Focused) published 29 July 2022 include a section on SEAH and state: "For the 2023-2025 allocation period, all applicants are recommended to identify SEAH-related risks and corresponding mitigation measures during program design. The use of the SEAH risk assessment tool is optional." Consideration should be given to requiring these assessments for COEs.

Part 4: Discussion and TERG Position

1. The COE operationalization and implementation is particularly difficult to evaluate because the countries are all very different and need a differentiated approach. This makes it challenging to pull out common findings, conclusions, and recommendations. However, the consultants have managed to do this. The boxes, with examples of both countries' activities and themes, are an excellent addition as they help to give a texture/a reality to what are, of necessity, quite high-level recommendations. The TERG also draws the SC's attention to the case studies contained in the separate appendices document.

2. The TERG endorses the evaluation's key findings, the high-level conclusions, and the recommendations. The TERG's assessment is that the five objectives of the evaluation have been addressed well, despite the constraints under which the team had to work which included the COE context being a challenge. The TERG did question the evaluators as to why they had not specifically addressed the policy's impact specifically on the three diseases (part of recommendation 1). They explained that key stakeholders' feedback was significantly focused on the underlying weaknesses of the systems in countries rather than the specific diseases. However, at TERG's request, they have compiled the information they had available to them in Annex 6: Disease specific considerations. The methodology used was appropriate in the circumstances and the resulting report is clearly written including the executive summary.

3. One of the intentions in commissioning this evaluation had been to provide recommendations to inform the OPN's and the implementation of NFM 4 grant round. The TERG recognizes that the guidance material for this grant cycle are in the final stages of finalization. We also understand that the Secretariat has already made some of the adjustments suggested, based on their own experience to date, and we commend this. However, we urge the Secretariat to consider all the recommendations during the NMF 4 grant negotiations. Action on them will be critical to the Global Fund delivering on key commitments in its 2023-2028 Strategic goals with its strong focus on equity and "more on making catalytic, people-centered investments'.

   Several issues covered in the recommendations have been raised on a recurring basis in other TERG evaluations. TERG wishes to particularly draw the SC's attention to five recommendations and the associated issues:

   1. **Balancing risk with program outcomes and impact**. (Recommendation 1) asks the SC and Board to agree on an adapted risk approach with clear financial risk thresholds for COE grant portfolios which are then conveyed to the CT's and country partners. The report concluded that without greater direction from the Board and senior management there was a tendency to avoid risk and proceed with business as usual (Conclusion 2) even though the COE policy principles stress flexibility. As an example, the Niger case study suggested that what country stakeholder saw as excessive fiduciary controls, inhibited flexibility and innovation.

   2. A comparative analysis of other organizations found different approaches to acceptable risk (page15). It is interesting to note Gavi's approach in its policy equivalent to the Global Funds COE policy which states Gavi accepts opportunities to mitigate risks may be less effective in such settings, with higher likelihood of risks materializing. This includes fiduciary risk,

operational risk (e.g., security of personnel), and programmatic risk (e.g., value for money and sustainability)" [emphasis added].[11]

3. Mindful of donor's understandable concerns that funds are not misused, the TERG considers Recommendation 3 to pilot packages of flexibilities in five or more COE countries representing diverse contexts, as a constructive way to progress this issue. No one size will fit every country and an openness to new ways of thinking and operating is important. The TERG notes that this would involve operational research to maximize the lessons learnt and that the newly constituted Independent Evaluation Panel (IEP) will have an interest and potentially a role in this.

4. **Contingency planning strengthening resilient and sustainable systems for health** (Recommendation 6), It was probably not surprising that the evaluators found that key stakeholders' feedback was more focused on the underlying weaknesses of the systems in countries rather than the specific diseases (see Annex 7). The underlying weakness of systems is a recurring theme across most TERG evaluation. There is no easy or quick solution to this situation and, as the evaluators recommend, it can only be progressed jointly with partners and national stakeholders. It is however concerning that the evaluators found that RSSH activities were often deprioritized in the face of immediate needs and that this under investment has significant implications for sustainability. TERG strongly recommends ensuring Global Fund supports and makes impactful and sustainable cross cutting health systems strengthening investments. This should of course take into account the need to work with partners including the country government and communities to find the balance on health systems support and health systems strengthening in COE context. This requires a careful analysis for decision making within the Global Fund's mandate to fight AIDS, TB and Malaria. It could include:
    a. **Defining and leveraging the Global Fund's comparative advantage which is underpinned by its relationships and credibility with governments because of its neutrality to enhance the strengthening of** resilient and sustainable systems for health in COE portfolios as it can navigate the political sensitivities in this space. In many crisis situations, ***"COEs are dynamic contexts****, often moving into and out of conflict over years,* the health system goes through a period of degradation and fragmentation due to increasing violence and insecurity, weakening governance, and loss of resources. Reduced government activities create a void in services provided that is often filled by faith-based, private or informal providers.
    b. **Balancing near-term delivery of health services, while building foundations for development of more mature system is of uttermost importance.** The report does recognize that, particularly in acute emergencies, the priority in the immediate term has to be direct support for service delivery. [12]
    c. **Facilitating of more efficient use of existing resources**, align with country systems where possible, and provide capacity building support.

5. **COE Policy and its three principles of Flexibilities, Innovation and Partnerships:** There is evidence that flexibilities are being utilized, new non-traditional partnerships are

[11] Gavi Alliance Fragility, Emergencies and Displaced Populations Policy, approved 23 June 2022.
[12] https://publichealth.jhu.edu/2022/the-vulnerability-of-health-care-in-conflict-ukraine-and-beyond

bearing fruit, and some innovations, such as the regional mechanism to address HIV, TB and malaria in the Middle East Response (MER), were evident.

Addressing underlying constraints to local ownership, leadership implementation of the grants (Recommendations 7) but also linked to Recommendations 5 and 6) the evaluation found that both country teams and country partners find the process for accessing flexibilities onerous and when the flexibilities are applied, they are more often supporting administrative processes rather than particular country challenges. The issue of heavy processes that inhibit innovation and/or speedy adjustment to changing circumstances is also a recurring theme across TERG evaluations. The Global Fund demonstrated that it was possible to streamline and act swiftly in the challenging operating environment across all countries in the COVID-19 pandemic and it is encouraged to continue this approach for COE designated countries. The importance of community led initiatives and the role of civil society organizations has, once again, been highlighted in these responses. These include

- **Flexibilities:** Flexibilities are granted more often and more quickly in acute emergency contexts compared to chronic instability contexts. Country Teams – particularly core and focus countries – find the process for accessing flexibilities onerous, and along with country stakeholders and partners, and find the lack of guidance on possible flexibilities a barrier to using the policy.
- **Innovation:** The COE policy has facilitated some innovative and effective approaches to address COE contexts; however, they are not well known, which limits opportunities for replication, adaptation and scale-up.
- **Partnerships:** The TERG notes and commends the Secretariat on the use of new non-traditional partners with its engagement in the humanitarian-development-peace nexus which has contributed to increased program coverage. These partnerships will be of continuing importance as the number of displaced, mobile and migrant populations continues to increase and where there are spillovers from crises in one country to other countries and grant recipients. These are populations who are more vulnerable to the three diseases and at the same time less likely to have access to health services. However, there are opportunities to deepen and expand these relationships. In particular, learning from good practices can improve outcomes at the country-level. This is particularly the case in the areas of equity, gender-based violence (GBV), safety and security of key and vulnerable populations (KVPs), including implementers of programs for criminalized populations, and meeting the needs of people on the move, including forcibly displaced, mobile, and migrant populations.

  An important role of the COE Team has been in expanding the Global Fund's participation in and understanding of global efforts to bring cohesion and coordination to the work of partners in fragile and conflict environments, particularly given the higher dependence on partners in COEs.[13] The COE Team has made good efforts to develop needed relationships to strengthen central and country-specific partnerships. The COE Team is participating in the OECD DAC Humanitarian-Development-Peace (HDP)

[13] The 2019 WCA review affirmed that key partners such as UNAIDS, UNDP, UNICEF and PMI highlighted that, in COEs, country presence is more critical to implementation success than in less fragile states. Global Fund (2019), Advisory Report: Grant implementation in Western and Central Africa (WCA). Overcoming barriers and enhancing performance in a challenging region, GF-OIG-19-013, The Global Fund: Geneva, Switzerland.

Nexus efforts and is cascading lessons learned to Global Fund CTs[14]. The COE Team has supported CTs in widening the scope of partners at the country level, including encouraging CT and PR participation in the health and other clusters that operate in humanitarian crises, and bringing humanitarian and bilateral actors into CCMs.

6. **Prioritizing implementation of the Prevention of Sexual Exploitation, Abuse and Harassment (PSEAH) operational framework and particular attention to gender-based violence (GBV)** (Recommendation 8). It was disappointing and concerning that, apart from the good work of the community, rights and gender (CRG), the evaluation found that there was limited evidence of consideration being given to support for partnerships to address these issues due to lack of prioritization and resources. This is despite the increased risks of sexual exploitation and GBV in fragile and unstable contexts, and the fact that this has been a key objective in both the current strategy and the 2023-2028 strategy. The TERG endorses the recommendation to prioritize implementation of the prevention of sexual exploitation, abuse and harassment (PSEAH) operational framework, including the safety and security of key populations involved in Global Fund activities. TERG suggest that there should be requirement that all COE's must address PSEAH in their applications. In addition, GBV prevention and response requires special attention in COE portfolios. Clarity and careful distinction have to be made on GBV, PSEAH to avoid any conflation of these issues that seem similar but are very distinct for appropriate measures and expertise to be used to address them. SRH-GBV "Intersection", then focus needs to be on the funding of objective 2 of the MISP "Prevention of sexual violence and responds to the needs of survivors" according to the Minimum Initial Service Package for Sexual and Reproductive Health (MISP)[15].

7. **Robustness of the COE Policy; T**he evaluation found that the COE policy itself is robust and seems to be sufficiently fit-for-purpose at this time. The evaluation concluded that COE policy has been found to be "necessary, appreciated, and utilized." The TERG therefore recommends that the COE Policy be continued in its current form for the time being

[14] The Global Health for Peace Initiative (GHPI) furthers the Humanitarian-Development-Peace Nexus by reinforcing the key role of health as a driver of peace and sustainable development (through Universal Health Coverage and the rebuilding/strengthening of inclusive health care systems) in fragile, conflict-affected and vulnerable (FCV) settings. Through its engagement in the Inter-Agency Standing Committee (IASC), WHO played a central role in developing the inter-agency guidance on Collective Outcomes (country sustainable development priorities that unite humanitarian, development and peace objectives, as well as the efforts of government, UN/NGOs and civil society), and works to promote health as a Collective Outcome in all FCV settings. https://www.who.int/initiatives/who-health-and-peace-initiative. Health and peace are interrelated. In the words of the Director-General of WHO, Dr Tedros, "there cannot be health without peace, and there cannot be peace without health". Conflicts are a major obstacle to health, while a lack of access to health and basic social services can lead to feelings of exclusion, which are in themselves a major driver of conflict and violence.

[15] Minimum Initial Service Package (MISP) for SRH in Crisis Situations: The Minimum Initial Service Package (MISP) for Sexual and Reproductive Health (SRH) in crisis situations is a series of crucial, lifesaving activities required to respond to the SRH needs of affected populations at the onset of a humanitarian crisis. Over 500 women die in pregnancy or childbirth every day in humanitarian and fragile settings. It is therefore essential to provide lifesaving SRH services as morbidity and mortality related to SRH is a significant global public health issue and those in humanitarian and fragile settings often face heightened risks and additional barriers to SRH services. The timely provision of SRH services can prevent death, disease, and disability related to unintended pregnancy, obstetric complications, sexual and other forms of gender-based violence, HIV infection, and a range of reproductive disorders.

Annexes

The following items can be found in Annexes:

- **Annex 1:** Relevant Past Board Decisions
- **Annex 2:** Relevant Past Documents & Reference Materials
- **Annex 3:** Conclusions, mapped to findings and strength of evidence in COE evaluation report
- **Annex 4:** List of Abbreviations
- **Annex 5:** Mapping Evaluation Findings, Conclusions and Recommendations
- **Annex 6:** Disease-specific considerations

Annex 1 – Relevant Past Board and Committee Decisions

Relevant past Decision Point	Summary and Impact
GF/B34/DP04: Strategic Framework 2017 - 2022 (November 2015)	The Board: 1. The Board approved the Strategic Framework 2017 – 2022 with a sub-objective to "improve effectiveness in Challenging Operating Environments through innovation, increased flexibility and partnership." The policy presented in this paper for Board approval outlines the principles that will guide the approach and engagement in Challenging Operating Environments.
GF/B35/DP04: The Global Fund Strategy 2017 - 2022: Investing to End Epidemics (27 April 2016)	1. Based on the recommendation of the Strategy, Investment and Impact Committee, the Board approves the Global Fund Strategy 2017 - 2022: Investing to End Epidemics, as presented in Annex 1 to GF/B35/02- Revision 1.
GF/B35/DP09: Decision Point: Challenging Operating Environments Policy (27 April 2016)	2. Based on the recommendation of the Strategy, Investment and Impact Committee, the Board approves the Challenging Operating Environments Policy, as set forth in Annex 1 to GF/B35/03.
GF/B35/02 – Revision 1: The Global Fund Strategy 2017 – 2022 Investing to End Epidemics (27 April 2016)	The Board, recognizing the importance that the Global Fund was designed to evolve to best meet the needs of a changing world context. More than **50 percent of the burden of each of the three diseases and the majority of the world's poor now live in countries classified by the World Bank as middle income but still varying greatly in terms of quality, access, and capacity of health service provision. Simultaneously, concentrations of disease and people living in poverty remain in low-income fragile states,** where too many have been left behind the progress of the last decade. The priorities of the global health agenda are expanding to include critical issues such as Universal Health Coverage, health security, anti-microbial resistance, health and communities systems strengthening, and non-communicable diseases. Global health progress is increasingly linked to

	progress in other areas of development and human rights. Efforts to end the three diseases are intimately connected to efforts to eliminate extreme poverty, empower women, enable greater access to education, reduce hunger, combat climate change and encourage inclusive economic growth.

GF/B39/DP11 and GF/B39/07. In 2018, the Board approved risk appetite statements for eight grant facing risks and one external facing risk: foreign exchange.

Annex 2 – Relevant Past Documents & Reference Materials

The Challenging Operating Environments Policy, GF/B35/03 (April 2016)

OIG Advisory Report Grant implementation in Western and Central Africa (WCA), GF-OIG-19-013 (May 2019)
The Global Fund Strategy 2017-2022: Investing to End Epidemics
The Global Fund Strategy 2023 – 2028: Fighting Pandemics and Building a Healthier and More Equitable World
Thematic Review of the Global Fund in Fragile States, (June 2014)

TERG Position Paper: Thematic Review of the Global Fund in 'Fragile States, (June 2014)

Thematic Report Conflicts, Crises and Displaced People: How the Global Fund Works in Challenging Operating Environments, (April 2022)

Annex 3: Key Conclusions, mapped to findings and strength of evidence in COE evaluation report

Table 1: Ratings for robustness of key findings

Rating	Assessment of the findings by strength of evidence (SoE)
Strong (1)	• Supported by data and/or documentation categorized as being of good quality by the evaluators; and • Supported by majority of consultations, with relevant consultee base for specific issues at hand
Moderate (2)	• Supported by majority of the data and /or documentation with a mix of good and poor quality; and/or • Supported by majority of the consultation responses
Limited (3)	• Supported by some data and/or documentation which is categorized as being of poor quality; or • Supported by some consultations and a few sources being used for comparison (i.e., documentation)
Poor (4)	• Supported by various data and/or documents of poor quality; or • Supported by some/few reports only with no data/or documents for comparison; or • Supported only by a few consultations or contradictory consultations

SOE	Conclusions
Objective 1: Operationalization	
	1. While the Global Fund's country-specific approach to support respects individual country contexts, the variable and unclear risk acceptance levels create uncertainty and contributes to the lack of use of the COE policy.
	2. Operationalization of the COE policy has not resulted in a consistent, "differentiated approach" to supporting programs in COE contexts, with many secretariat and country-level stakeholders not perceiving a meaningful difference in how the Global Fund works in COE and non-COE contexts.
	3. The lack of understanding about the COE policy among country-level stakeholders (PRs, SRs, CCM, government, civil society and other partners) results in a lack of utilization of flexibility, innovation and partnership opportunities.
	4. Use of the policy is inconsistent across Country Teams for different reasons, including the time-consuming nature of preparing the flexibility request (depending on CT size), long approval process, priorities, and different risk appetites.
	5. Flexibilities are granted more often and more quickly in acute emergency contexts compared to chronic instability contexts.
Objective 2: Flexibilities, Innovation and Partnerships	
	6. Country Teams – particularly core and focus countries – find the process for accessing flexibilities onerous, and along with country stakeholders and partners, find the lack of guidance on possible flexibilities a barrier to using the policy.
	7. The COE policy has facilitated some innovative and effective approaches to address COE contexts; however, they are not well known, which limits opportunities for replication, adaptation and scale-up.
	8. The Global Fund's engagement in the humanitarian-development-peace nexus has contributed to increased program coverage, and there are further opportunities to deepen these relationships for further program impact at the country level. They should be further expanded to include gender, GBV, KVPs, and mobility.
Objective 3: Grant Efficiency and Effectiveness	
	9. The majority of approved COE flexibilities support administrative processes, rather than address country-level implementation challenges.

	10. Limited examples were found of the COE policy contributing to grant efficiency, even fewer to effectiveness, but policy implementation doesn't go far enough to simplify Global Fund processes or clarify acceptable risk levels.
	11. At times, programs seem driven solely by the need to deliver services with less regard for equity, in terms of addressing human rights and gender constraints – which can be higher in COEs – to service utilization.
	12. The COE policy is often conflated with the Additional Safeguards Policy by country stakeholders, with no clear process to ensure that the two policies work together to support implementation.
	13. Some contexts have made good use of COE flexibilities to address regional population movements, which can serve as examples for other regions.
	14. Insufficient Global Fund attention and alignment across partners to strengthen RSSH due to immediate priorities to provide services, and the difficulty and uncertainty of RSSH – particularly government systems – in COE settings.
Objective 4: Impact of COVID-19 on COEs	
	15. The impact of COVID-19 in COE countries was as diverse as the contexts, creating additional challenges – particularly for RSSH – but also creating some opportunities, for example for communities and CSO's to fill gaps.
	16. The additional flexibility of the Global Fund in response to COVID-19 gave all countries access to flexibilities, and COEs experienced no additional differentiated approach, including to manage the additional reporting burdens created by C19RM.
Objective 5: Lessons Learned	
	17. COE stakeholder meetings hosted by the Secretariat are appreciated opportunities for exchanging lessons learned, with scope for further learning and sharing, particularly at country levels, needed.
	18. The standard three-year program planning cycle is considered insufficient to achieve measurable change in health systems contexts, particularly amidst chronic instability.

Annex 4– List of Abbreviations

Acronyms	
A2F	Access to Funding
CCM	Country Coordinating Mechanism
COE	Challenging Operating Environment
CRG	Community Rights and Gender
C-19RM	C-19 Response Mechanism

CT	Country Team
DAC	Development Assistance Committee
ERI	External Risk Index
GBV	Gender Based Violence
GF	The Global Fund to Fight AIDS, Tuberculosis and Malaria
GMD	Grant Management Division
KVP	Key and Vulnerable Populations
LFA	Local Fund Agent
MER	Middle East Response
MISP	Minimum Initial Service Package for Sexual and Reproductive Health
OIG	Office of the Inspector General
OPN	Operational Policy Note
PR	Principal Recipient
PSEAH	Prioritizing implementation of the Prevention of Sexual Exploitation, Abuse and Harassment
RSSH	Resilient and Sustainable Systems for Health
SR	Sub- Recipient
SRH	Sexual and Reproductive Health
TA	Technical Assistance
TERG	Technical Evaluation Reference Group
TB	Tuberculosis

Annex 5: Mapping Evaluation Findings, Conclusions and Recommendations

Findings	Conclusions	Recommendations
• While the Global Fund's country-specific approach to support respects individual country contexts, the variable and unclear risk acceptance levels create uncertainty and contributes to the lack of use of the COE policy. • Use of the policy is inconsistent across Country Teams for different reasons, including the time-consuming nature of preparing the flexibility request (depending on CT size), long approval process, priorities, and different risk appetites. • Limited examples were found of the COE policy contributing to grant efficiency, even fewer to effectiveness, but policy implementation doesn't go far enough to simplify Global Fund processes or clarify acceptable risk levels.	**1.** Unclear and inconsistent individual risk appetites constrain the use of the policy and contributes to inconsistent operationalization.	1. **Agree on an adapted risk acceptance approach with clear financial risk thresholds for COE grant portfolios and provide clear guidance to the relevant departments across the Secretariat and country implementing partners for NFM4.** Communicating a higher and clearer level of financial risk acceptance to CTs and country-level partners will facilitate greater use of the policy and encourage innovation.
• The lack of understanding about the COE policy among country-level stakeholders (PRs, SRs, CCM, government, civil society and other partners) results in a lack of utilization of flexibility, innovation and partnership opportunities. • Country Teams – particularly core and focus countries – find the process for accessing flexibilities onerous, and along with country stakeholders and partners, find the lack of guidance on possible flexibilities a barrier to using the policy.	**2.** Limited understanding of the COE policy at the country level, and the lack of a structured opportunity to consider flexibilities, innovation and partnership appropriate to the context contributes to the policy not fulfilling its potential.	2. **Ensure a more consultative process to engage country stakeholders on operationalizing the COE policy during NFM4 and future grant making processes**. Built into the revised Operational Policy Note, this process can include an orientation to the policy, rationale for COE designation, and a participatory review of the operational plan for program

• The COE policy has facilitated some innovative and effective approaches to address COE contexts; however, they are not well known, which limits opportunities for replication, adaptation and scale-up. • The majority of approved COE flexibilities support administrative processes, rather than address country-level implementation challenges. • The COE policy is often conflated with the Additional Safeguards Policy by country stakeholders, with no clear process to ensure that the two policies work together to support implementation.		implementation, with discussion on what flexibilities are necessary to facilitate the process. It should also include discussion of how the COE policy and ASP (where appropriate) will be jointly utilized.
• Operationalization of the COE policy has not resulted in a consistent, "differentiated approach" to supporting programs in COE contexts, with many secretariat and country-level stakeholders not perceiving a meaningful difference in how the Global Fund works in COE and non-COE contexts. • The lack of understanding about the COE policy among country-level stakeholders (PRs, SRs, CCM, government, civil society and other partners) results in a lack of utilization of flexibility, innovation and partnership opportunities. • Use of the policy is inconsistent across Country Teams for different reasons, including the time-consuming nature of preparing the flexibility request (depending on CT size), long approval process, priorities, and different risk appetites. • The majority of approved COE flexibilities support administrative processes, rather than address country-level implementation challenges. • Limited examples were found of the COE policy contributing to grant efficiency, even fewer to	**3.** Periodic COE stakeholder meetings hosted by the Secretariat's COE Team are appreciated opportunities for exchanging lessons learned, yet additional opportunities for learning and sharing are needed.	3. **Pilot packages of pre-defined flexibilities for five or more COE countries representing diverse contexts, to test whether an automatic/opt-out differentiated approach contributes to improved results within acceptable risk thresholds**. These packages may include simplified funding request and reporting templates, fewer indicators, longer reporting timeframes, automatic limited liability clauses for implementers in high-risk areas, adapted allocation formula, increased budget flexibility, flexible reprogramming timeframes, and shorter approval timelines. This process can be reviewed for modification or scale-up for NFM5.

effectiveness, but policy implementation doesn't go far enough to simplify Global Fund processes or clarify acceptable risk levels. • The additional flexibility of the Global Fund in response to COVID-19 gave all countries access to flexibilities, and COEs experienced no additional differentiated approach, including to manage the additional reporting burdens created by C19RM.		
• Country Teams – particularly core and focus countries – find the process for accessing flexibilities onerous, and along with country stakeholders and partners, find the lack of guidance on possible flexibilities a barrier to using the policy. • The COE policy has facilitated some innovative and effective approaches to address COE contexts; however, they are not well known, which limits opportunities for replication, adaptation and scale-up. • At times, programs seem driven solely by the need to deliver services with less regard for equity, in terms of addressing human rights and gender constraints – which can be higher in COEs – to service utilization. • Some contexts have made good use of COE flexibilities to address regional population movements, which can serve as examples for other regions. • COE stakeholder meetings hosted by the Secretariat are appreciated opportunities for exchanging lessons learned, with scope for further learning and sharing, particularly at country levels, needed.	4. The standard three-year program planning cycle is insufficient to achieve measurable change in health systems contexts, particularly amidst chronic instability.	4. **Ensure that practical examples of COE best practices with regards to flexibilities, innovation and partnerships are referenced in the OPN and routinely documented and disseminated, particularly in preparation for grant negotiations during NFM4, and throughout the funding cycle**. Ensure that successful case studies – including examples of tools and templates used – are well known to support adapted replication and efficiency through additional documentation and wider stakeholder meetings. Actions proposed during the learning meetings should be monitored and followed-up in subsequent meetings. Particular attention should be given to sharing solutions found to address regional population displacement issues.
• The Global Fund's engagement in the humanitarian-development-peace nexus has contributed to increased program coverage, and there are further opportunities to deepen these relationships for further	5. Human resources for health (from program management to service delivery) are often particularly scarce	5. **Provide clear tools and guidance to support the use of flexible partnerships and contracting mechanisms to encourage**

program impact at the country level. They should be further expanded to include gender, GBV, KVPs, and mobility. • Some contexts have made good use of COE flexibilities to address regional population movements, which can serve as examples for other regions.	in COE settings due to insecurity, out-migration and violence.	**partnerships with organizations appropriate to the needs of each COE context in NFM4**. This may include direct service contracts with the Secretariat, or blended financing and payment-for-results/direct facility funding contracts at the country level, drawing on best practices identified in COE and non-COE designated high-risk environment countries. It should also include clearer guidance on how the CCMs (or equivalents) and PRs should engage the humanitarian community.
• Insufficient Global Fund attention and alignment across partners to strengthen RSSH due to immediate priorities to provide services, and the difficulty and uncertainty of RSSH – particularly government systems – in COE settings. • The impact of COVID-19 in COE countries was as diverse as the contexts, creating additional challenges – particularly for RSSH – but also creating some opportunities, for example for communities and CSO's to fill gaps. • The standard three-year program planning cycle is considered insufficient to achieve measurable change in health systems contexts, particularly amidst chronic instability. • Human resources for health (program management to service delivery) are often particularly scarce in COE settings due to insecurity, outmigration and violence.	**6.** In some COE contexts, governance and implementation structures can by-pass government programs and local stakeholders for expedience, resulting in strained relationships and a lack of ownership by national authorities. Clear plans for strengthening engagement of governments and local stakeholders in program implementation are needed, but seldom exist, and were not evident even for transition from ASP in some contexts.	**6. Ensure long-term (6 - 9 years) and contingency planning[16] for strengthening resilient and sustainable systems for health in COE portfolios is undertaken jointly with partners and national stakeholders**. Plans should be prioritized, recognize and address constraints specific to the COE context (e.g., social, political, economic, geographic, cultural aspects), define measurable indicators to assess progress, and provide clear roles for national stakeholders and partners. Consideration should be given to improving the effectiveness of donor support for RSSH through consistent

[16] "Contingency" in this context refers to planning for, identifying and mitigating potential risks that might prevent accomplishment of a grant program's RSSH or capacity strengthening goals. While related to the contingency planning requested of PRs in the event of an emergency, this is a broader effort to support longer-term RSSH and capacity building efforts in COE settings. The recommendation also aims to bring attention to the need for developing contingency plans, as this was not evident in all COE countries.

		human resources funding policies, and blended finance, multi-donor funds or other innovative finance options. Security of health workers and "do no harm" ethos should be paramount in determining how to address human resources for health (HRH) issues in both the short- and long-term, particularly given the large number of female health workers and lack of gender equity in many of these settings.
• Human resources for health (program management to service delivery) are often particularly scarce in COE settings due to insecurity, outmigration and violence. • In some COE contexts, governance and implementation structures are used that by-pass government programs and local stakeholders for expedience, resulting in strained relationships and lack of ownership by national authorities. • Clear plans for strengthening engagement of governments and local stakeholders in program planning and implementation are needed, but seldom exist, and were not evident even for ASP in some contexts.	**7.** Despite the increased risk of sexual exploitation and harassment in unstable contexts, no evidence was found of consistent or appropriate efforts to apply the Protection from Sexual Exploitation and Abuse, Sexual Harassment and Related Abuse of Power Operational Framework (2021) – nor to ensure the safety and security of key and vulnerable populations (KVPs), particularly in their engagement with Global Fund activities – due to lack of prioritization and resources	**7. Facilitate participatory capacity strengthening planning to address underlying constraints to local ownership, leadership and implementation of grants**. Work with appropriate partners (e.g., World Bank, USAID) to develop a grant management capacity assessment and planning tool to be used through a participatory process facilitated by the CT and COE Team with country-level public, private, and community stakeholders and partners to develop a country ownership plan.
• Despite the increased risk of sexual exploitation and harassment in unstable contexts, no evidence was found of consistent or appropriate application of the Prevention of Sexual Exploitation, Abuse, and Harassment policy due to lack of prioritization and resources.	**8.** Despite the well-established link between GBV and HIV transmission, and the increased risk of GBV in unstable contexts, limited evidence was found of adequate consideration of gender-responsive approaches and GBV support or partnerships in	**8. Prioritize implementation of the prevention of sexual exploitation, abuse and harassment (PSEAH) operational framework, including the safety and security of key populations involved in Global Fund activities. In addition, GBV**

• Despite the clear link between gender-based violence and HIV transmission, and the increased risk of GBV in unstable contexts, limited evidence was found of adequate consideration of gender-responsive approaches and GBV support or partnerships in COE countries due to a lack of prioritization and resources.	COE countries due to a lack of prioritization and resources.	**prevention and response requires special attention in COE portfolios**. Ensure that COE country proposals identify SEAH- and KP safety and security related risks, and incorporate corresponding mitigation measures into program design, preferably through use of the SEAH risk assessment tool.[17] Coordinate with the GBV cluster at the country level to determine how Global Fund investments can best to leveraged to mitigate the risks and consequences of GBV – a key contributing factor to HIV transmission in emergency and unstable settings – and other forms of violence and harassment against key and vulnerable populations.

[17] Funding Request Instructions for all categories (Full, Continuation, Focused) published 29 July 2022 include a section on SEAH and state: "For the 2023-2025 allocation period, all applicants are recommended to identify SEAH-related risks and corresponding mitigation measures during program design. The use of the SEAH risk assessment tool is optional." Consideration should be given to requiring these assessments for COEs.

Annex 6: Disease-specific considerations

While systems issues are recognized as the most important constraints to addressing the three diseases in COE contexts, the following boxes discuss disease specific findings from the evaluation. As noted in the Introduction (Section 1.1), in 2022 COE countries represent 28% of the Global Fund's total investment (nearly USD 16 billion)[18], and in 2020-2022, COEs account for 52% of the malaria burden, 24.2% of tuberculosis (TB), and 13.3% of HIV.[19]

Malaria programming in COEs

"The accountability requirements for bed nets lost is seemingly the same for a COE and a non-COE country. So, there's high and intolerant appetite for bed nets lost when you know that people are on the move, trucks could be robbed, etc. While we know these are the risks, we don't necessarily give anyone a break, which stifles innovation, and places undue burden on PRs and SRs who are trying to deliver services. If we can get the nets out to the population, we should be extremely happy and be thinking about how we can get to them again."

~ Secretariat key informant

Contextual issues

Malaria can be described as "a canary in the coal mine[20]" – an indicator of failing health systems and combatting malaria in failed or failing states poses additional risks and challenges. Global Fund estimates that 52 percent of global malaria burden[21] and 44 percent of the Global Fund malaria portfolio (NFM3) by dollar amount is in countries classified by the Global Fund as COE.[22] Many COEs – particularly in WCA – carry some of the world's highest malaria burdens. In conflict or crisis settings, health systems often fall short – or fail, including the community health worker systems that provide much of the malaria prevention and treatment services. Malaria cases can quickly increase, undoing years of effort and investment. The costs of doing business are also often significantly higher in these contexts, particularly for malaria programs that must move bulky items such as bed nets to remote or insecure and conflict-affected areas.

Effective use of flexibilities and partnerships

Among the CCS, there were good examples of effective use of COE flexibilities to overcome malaria program challenges, particularly around commodities and bed net distribution. In Mali, these included allowing for buffer stocks for ACTs and RDTs (even at the risk of expiring commodities), how commodities are moved, and where they are delivered to, and modifications to standard methodologies for mass campaigns (bed net distribution or seasonal malaria chemoprevention campaigns) – including the verifications required. South Sudan used flexibilities to allow for an alternative reporting mechanism, and pre-positioning and airlifting of bed net stocks, with the case study concluding that bed net distribution would not have been possible without these flexibilities.

Mali and South Sudan also used partnerships with humanitarian NGOs to reach otherwise inaccessible areas. South Sudan also used fee-for-service contracts with the private sector, alongside third-party monitoring for bed net distribution in conflict-affected areas, refugee/IDP camps, and remote communities. The country

[18] Global Fund Data Explorer, as of the June 2022 disbursement. Note that this figure drops to 18% if only two countries – DRC and Nigeria – are excluded.
[19] Based on the disease burden according to the Global Fund allocation model approved by the Board.
[20] https://www.theglobalfight.org/expanding-programs-malaria-free-world/.
[21] Estimates using the Board approved Global Fund allocation model (2020), 52 percent of the global malaria burden is in COEs. However, WHO (2022) estimates that more than 45 percent of world malaria deaths occurred in just two COE countries: Nigeria (31.9%) and DRC (13.2%).
[22] Evaluation Team estimates from Global Fund provided data indicate that Nigeria and DRC account for 25% of the total funding for malaria in NFM3.

actually achieved higher bed net coverage among IDPs (75–84%) than for the general population (63%). Niger worked with UNHCR and IOM to reach people that existing Global Fund partners could not. In Somalia, providing bed net distribution partners with a limited liability clause also ensured that grant implementation was possible.

Looking ahead

While many examples exist of both flexibilities and partnerships being used to support malaria programming, these do not appear to be well known in all countries. The evaluation team observed countries and partners wondering whether certain flexibilities might be possible to unblock their programs when it has already been done elsewhere. Sharing these examples in a way that facilitates adaptation and replication may support other countries increase malaria program effectiveness.

TB programming in COEs

Contextual issues

Public health programs provide the majority of TB diagnosis and treatment worldwide, with TB services particularly dependent on national supply chains and laboratory networks. These elements are often weak in COEs due to insecurity, limited investment in infrastructure, and limited HRH. This impedes these countries from adopting new technologies at the scale necessary to make a difference. Flexibilities to support HRH have been used in some countries (e.g., CAR and South Sudan). The costs of supporting TB programs in COEs can also differ from non-COEs; for example, in Niger transportation accounts for 32% of the TB grant due to security challenges and distances. MER faces challenges where TB services may be unavailable during conflict, and finding cases can be particularly costly as the burden decreases. TB prevalence is higher among refugees than in the host country citizens (e.g., Jordan), which may be ill-equipped to meet needs.

Multi-sectoral partnerships

Communities play an important role in TB, particularly in finding cases and linking people to services, and providing ongoing support. This can include sending money, which can be challenging to do safely in COEs. This role is particularly important when reaching out to KPs. However, countries such as Mali demonstrate that progress is possible, which has seen an increase in the number of TB contact cases who started preventive therapy, and the percentage of registered TB patients with documented HIV status. Communities played a role in this, for example, using Global Fund-funded mobile radios to start community-based detection of TB patients. In Myanmar, treatment, diagnosis and outreach services provided by public facilities stopped, and case notification halved. Flexibilities were used to engage the private sector to provide these services, although its costs are unsustainable. Some SRs were also provided with diagnostic equipment, insurance and staff.

Systems strengthening

Successful TB programming depends on a strong health system. In some countries, the COE policy has been used to develop new partnerships, such as in South Sudan, where the National TB Program has enlisted the support of multiple NGOs to ensure services are available where national services are not reliable, and is also rolling out a community-led health package. Yet despite these efforts and the inclusion of IDP coverage in recent Global Fund funding requests, TB incidence has stagnated, and case finding and treatment remain low.

Innovations

The Global Fund developed a regional program to address the needs of migrant, refugee and displaced persons in South-West Asia. The program, managed by UNDP, provides TB/MDR-TB interventions among

millions of Afghan refugees, returnees and mobile populations in Afghanistan, the Islamic Republic of Iran and the Islamic Republic of Pakistan (US $5 million; allocation period of 2019 – 2021). In addition to supporting service delivery, the program has developed a cross-border TB platform (including innovative tracking), a cross-border TB strategy (2021 – 2023) and regional guidelines for cross-border TB prevention and care in South-West Asia.

Looking ahead

Learning lessons from TB program responses during the COVID-19 pandemic may be useful. The Global Fund brings TB partners from WCA together periodically to share experiences and lessons learned. Future meetings could explore the COVID-19 experience, and how flexibilities could be used to support and scale-up successful pandemic-related innovations, such as outreach campaigns; mobile clinics; digital solutions for supervision, training and meetings; and multi-month provision of drugs. One stakeholder also proposed using the TB response during COVID-19 to extract lessons for pandemic preparedness in COEs.

HIV programming in COEs

Contextual issues

The risks facing HIV-relevant key populations (KPs) are often heightened in COE contexts - KPs or their behaviors are often stigmatized and/or criminalized, and there are risks for the health and community workers who serve these populations. The status of women is often marginalized, and risks of GBV and sexual exploitation and harassment (SEAH) of the most vulnerable (regardless of gender or age) can be particularly acute during crises, also resulting in higher risk of HIV transmission (see Box 13: GBV). The Global Fund and its partners may not find COEs willing or open to dialog on issues of human rights and gender, and programs may need to deliver services in innovative ways to reach hidden – and vulnerable – clients without risking their exposure. As one Secretariat KI stated, “They [COE settings] are often the perfect conditions for HIV transmission: people thrown together with no money, and no power." For many of these settings, focus has been on maintaining access to treatment, with attention to availability of ART supplies; however, this tends to leave other critical commodities such as condoms and pre- and post-exposure prophylaxis kits and prevention programs even more difficult to access.

Rights, gender and equity

There are a number of ways that COE antipathies to rights, gender and equity constrain HIV services. For example, the epidemics are often poorly understood as many countries lack timely, valid assessments (CAR, MER). Insecure field conditions and stigmatization make data collection difficult and costly, meaning investment in needed information is not prioritized, resulting in insufficient information for cost-effective programming. Outreach by CSOs able to flexibly respond to rapidly changing situations is often needed. For example, in Niger, a CSO uses a mobile team to reach transient sex workers along the Niger-Nigerian border, adapting its plans daily as needed. This is funded by another partner, as the Global Fund’s documentation requirements, planning expectations, and approval timelines are considered incompatible with the nimbleness needed for implementation. Also as noted above, direct dialog on human rights may not be productive, so alternative means, such as regional programs, are needed.

Systems strengthening

Many of the challenges faced by HIV programs in COEs are systems related – and affect heath programs more generally: the need for community systems; robust commodity supply chains to avoid stock outs; functioning lab systems that can meet the needs of sparse and remote as well as teeming urban populations; human resources and accessible health settings that can meet needs from prevention across the continuum of care. The evaluation found some good examples of Global Fund addressing these gaps in COE programs. Key informants pointed to the active and courageous role that civil society in Ukraine has played since the beginning of the war (2022) to ensure that PLHIV maintain access to the services they need. This has been possible because of the long-term investment by the Global Fund and others in

strengthening community systems, which are proving to be effective and resilient. To stem human resource flight and improve outputs from the health sector, Global Fund provides salary incentives (a COE policy flexibility) in CAR and South Sudan. In some cases, the COE policy has been used to work with a variety of partners to cover HIV commodity management gaps, such as in Myanmar, which works with private transporters, CBOs, NGOs, and WFP to move stock, and has set up dispensing "wherever" possible, using social media to connect people with services (see Box 9: The Role of Communities). However, many of the programs were responding to a crisis or a setting, without clear strategies and steps for strengthening sustained capacity to deliver services and move forward.

Looking ahead

Expansion and sustainability of HIV programs in COE settings will be determined by the ability to reach and maintain connections to populations at risk, while "doing no harm," i.e., not putting service clients in greater danger by exposure. This will remain a challenge for many of these settings where progress on human rights and gender is likely to be arduous and slow, and health systems remain weak. Sharing good examples – both for providing efficient, targeted and where possible, sustainable services as well as for making progress on the rights dialog - will be critical to addressing HIV in COE settings. The COE policy's added flexibilities, new-partnerships and openness to innovation can provide the opportunity for Global Fund and partners to experiment with ways of delivering these life-saving services in hostile and acute conditions, and in some of the world's least resourced settings. The TAP's expanded discussion of HIV in COE contexts in its upcoming information note on HIV for NFM4 and participation in developing guidelines for HIV service continuity in emergencies are important efforts in this regard. Additionally, the Global Fund should consider requiring SEAH assessments for COE designated countries given particularly high risks in these settings and an opportunity to learn how SEAH might be best addressed. Funding for activities and capacity building needed to ensure full compliance with the SEAH framework across PRs and SRs should be provided within the grants as needed. Efforts should also be made to address GBV where prevalence is high and/or in contexts where GBV is a driver of HIV transmission.

Secretariat Management Response

TERG Evaluation on Challenging Operating Environments

Introduction

The Technical Evaluation Reference Group (TERG) is a critical component of the Global 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 in accordance with the TERG Documents Procedure approved by the Strategy Committee.

The Global Fund's Challenging Operating Environments (COE) Policy was approved by the Board in April 2016 and came into effect in 2017. Two cycles of grants have been designed and approved and are either mostly completed (2017–2019) or underway (2020–2022) since the initiation of the Policy. The Strategy Committee requested the TERG to undertake an evaluation of the operationalization and implementation of the COE Policy to assess whether adjustments are needed as the Global Fund prepares for the next cycle of grants (Grant Cycle 7) and for the implementation of its new Strategy: Fighting Pandemics and Building a Healthier and More Equitable World: Global Fund Strategy (2023 – 2028). The Secretariat welcomes the TERG's acknowledgement of actions that the Secretariat has undertaken to support COE policy operationalization, including establishment of a COE support team within Grant Management. Support to COEs is implemented through a cross functional approach that draws on the expertise from different functional teams including, Finance, Community Rights and Gender and Technical Advice and Partnerships, to ensure tailored and context-specific support is available throughout the grant lifecycle.

Areas of agreement

The Secretariat welcomes and appreciates the report and its findings and broadly agrees with the findings and high-level conclusions from the COE evaluation report and related TERG recommendations. The Secretariat also appreciates the good collaboration with the TERG and the Evaluation Team and acknowledges the significant amount of work that was carried out in a limited timeframe.

While there is significant agreement with the report and the TERG findings, the Secretariat notes that the diversity of COE contexts requires a flexible and tailored approach. This is fundamental to maintain so responses can be tailored to the different country contexts. In

some cases, this will continue to require regional and sub-national differentiation within a specific country.

Recommendation 2: Ensure a more consultative process to engage country stakeholders on operationalizing the COE policy during NFM4 and future grant making processes. Built into the revised Operational Policy Note, this process can include an orientation to the policy, rationale for COE designation, and a participatory review of the operational plan for program implementation, with discussion on what flexibilities are necessary to facilitate the process. It should also include discussion of how the COE policy and ASP (where appropriate) will be jointly utilized.

The Secretariat agrees with the TERG on the importance of ensuring a consultative process to engage country stakeholders in operationalizing the COE policy as this will further enhance country-level understanding of the COE policy and its strategic operationalization, and thereby enhance solution-driven flexibilities granted under the COE policy for more effective grant management in challenging operational contexts. That said, the timing of this recommendation (i.e., post launch of the 2023-2025 applicant guidance materials) presents challenges in incorporating and integrating the detailed recommendations. Country Dialogue requirements at the Funding Request development and submission stage, as outlined in the Access to Funding (A2F) Operational Policy Note (OPN), are very broad. A very intentional look at country dialogue requirements was made following the approval of the new Strategy, however there is simply too much variation in country contexts for more specific/differentiated requirements to be codified in an OPN.

Efforts have been made and will continue to be made in the next cycle to incorporate consultative processes in country dialogue, especially as it relates to facilitating representation of vulnerable populations and partnering with humanitarian actors in COEs, as well as with other in-country/regional partners during all grant management stages. If specific requirements for COEs can be identified, there may be scope for inclusion in future versions of the A2F OPN. Best practices have already been identified, and they can also be included in change management materials as examples of good practices.

The COE OPN will be updated towards the first/second quarter of 2023, and language to emphasize the importance of ensuring a consultative process to engage country stakeholders in the grant making process will be incorporated. Further clarification will also be made with respect to the distinction between COE and the Additional Safeguards Policy.

Recommendation 4: Ensure that practical examples of COE best practices with regards to flexibilities, innovation and partnerships are referenced in the OPN and routinely documented and disseminated, particularly in preparation for grant negotiations during NFM4, and throughout the funding cycle. Ensure that successful case studies –including examples of tools and templates used –are well known to support adapted replication and efficiency through additional documentation and wider stakeholder meetings. Actions proposed during the learning meetings should be monitored and followed-up in subsequent meetings. Particular attention should be given to sharing solutions found to address regional population displacement issues.

The Secretariat has documented best practices around flexibilities and tailored implementation modalities and agrees that sharing best practices and lessons learned regarding COE Policy implementation are helpful and should be shared with the stakeholders. However, the COE OPN is not necessarily the best place to document these examples as solutions and flexibilities need to be responsive to the specific COE context. Adding these examples would also be inconsistent with ongoing Secretariat efforts to make OPNs as succinct as possible. Best practices and lessons learned will be shared with both internal and external stakeholders through appropriate channels and mechanisms.

Recommendation 5: Provide clear tools and guidance to support the use of flexible partnerships and contracting mechanisms to encourage partnerships with organizations appropriate to the needs of each COE context in NFM4. This may include direct service contracts with the Secretariat, or blended financing and payment-for-results/direct facility funding contracts at the country level, drawing on best practices identified in COE and non-COE designated high-risk environment countries. It should also include clearer guidance on how the CCMs (or equivalents) and PRs should engage the humanitarian community.

The Secretariat agrees with the TERG on the importance of facilitating flexible and innovative partnerships and tailored contracting mechanisms as these can be a critical solution to tackle implementation bottlenecks in COEs. To date, different types of flexible partnerships have been explored and established, including collaboration with humanitarian NGOs, and *ad hoc* partnerships for supply chain and last-mile logistics to reach the most vulnerable populations in hard-to-reach areas. We agree that guidance for CTs, PRs and CCM to effectively leverage partnerships and tailor contracting mechanisms to respond to COEs' needs and tackle implementation challenges is useful.

Recommendation 8: Prioritize implementation of the prevention of sexual exploitation, abuse and harassment (PSEAH) operational framework, including the safety and security of key populations involved in Global Fund activities. In addition, GBV prevention and response requires special attention in COE portfolios. Ensure that COE country proposals identify SEAH and KP safety and security related risks, and incorporate corresponding mitigation measures into program design, preferably through use of the SEAH risk assessment tool. Coordinate with the GBV cluster at the country level to determine how Global Fund investments can best to leveraged to mitigate the risks and consequences of GBV –a key contributing factor to HIV transmission in emergency and unstable settings –and other forms of violence and harassment against key and vulnerable populations.

In all grant portfolios, CRG is working with colleagues in Grant Management to implement strategies and processes to address and/or mitigate SEAH issues arising in Grant Management.

The Secretariat acknowledges the importance of prioritizing implementation of prevention of sexual exploitation, abuse and harassment (PSEAH) initiatives, including mitigating safety and security risks to key populations involved in the implementation of Global Fund grants in COEs. We agree that PSEAH implementation should be properly integrated into grant implementation and that related risks should ideally be identified at the program design stage so appropriate risk mitigation measures can be planned. Specific PSEAH requirements have identified for the next grant cycle, and PSEAH-related risk assessments will be performed alongside other risk assessments during grant-making if not already completed at the funding request stage. The Secretariat notes that the identification of PSEAH risk and risks to the security and safety of key populations is relevant to all portfolios, not just COEs, while acknowledging that the risks may be higher in COEs.

Observations on other recommendations

Recommendation 1: Agree on an adapted risk acceptance approach with clear financial risk thresholds for COE grant portfolios and provide clear guidance to the relevant departments across the Secretariat and country implementing partners for NFM4. Communicating a higher and clearer level of financial risk acceptance to CTs and country-level partners will facilitate greater use of the policy and encourage innovation.

While the Secretariat appreciates the intent behind this recommendation, we do not feel that it is feasible or appropriate to have one adapted risk acceptance. As COE contexts vary significantly, a flexible and tailored approach remains fundamental. It would be challenging to apply a categorical adapted risk acceptance for all COEs, as doing so may entail allowing a higher risk appetite for less risky COEs and vice versa. The current operationalization of the COE policy allows for tailored risk acceptance and adaptive approaches to respond to specific contexts. The current tailored approach under the COE Policy will be retained in tandem with periodic Country Portfolio Reviews (CPR), facilitating timely and appropriate solutions in often fast-changing COE contexts. CPRs provide a systematic way for the Global Fund to assess the impact of proposed COE flexibilities on a case-by-case basis. This approach enables understanding of potential risk trade-offs in context and informs Secretariat decisions to accept higher risks for some COEs.

The Secretariat does not support the TERG recommendation on providing clear financial risk thresholds for COEs, as doing so implies a generalized approach, even when the root causes and situations of challenging operating environments may be very diverse.

Recommendation 3: Pilot packages of pre-defined flexibilities for five or more COE countries representing diverse contexts, to test whether an automatic/opt-out differentiated approach contributes to improved results within acceptable risk thresholds. These packages may include simplified funding request and reporting templates, fewer indicators, longer reporting timeframes, automatic limited liability clauses for implementers in high-risk areas, adapted allocation formula, increased budget flexibility, flexible reprogramming timeframes, and shorter approval timelines. This process can be reviewed for modification or scale-up for NFM5.

While the Secretariat understands and appreciates the intent behind this recommendation, we do not agree that development of 'packages of pre-defined' flexibilities' is the solution to country-specific issues. Such packages can compromise the Secretariat's ability to tailor implementation approach across the COEs with very different challenges and contexts. Regarding the suggestion on adapting the allocation formula for COEs, it is important to note that the Qualitative Adjustments process applied to country allocations (in line with the Board-approved methodology) already includes consideration of COE contexts, along with other country-specific factors that are holistically considered to adjust allocations, therefore the Secretariat notes that it is not necessary to include an adapted allocation formula as a part of recommended pre-defined COE flexibilities.

As noted above, the Secretariat will continue strengthening its efforts to improve country-level understanding of the COE Policy by sharing best practice for identifying flexibilities, and innovation and partnership, while encouraging COE stakeholders to propose more innovative solutions under the COE Policy.

The Secretariat will actively engage with a cluster of countries to share approaches and list of flexibilities used in similar environments that could be considered to increase coverage and impact in fighting the three diseases in those settings.

Recommendation 6: Ensure long-term (6 - 9 years) and contingency planning for strengthening resilient and sustainable systems for health in COE portfolios is undertaken jointly with partners and national stakeholders. Plans should be prioritized, recognize and address constraints specific to the COE context (e.g., social, political, economic, geographic, cultural aspects), define measurable indicators to assess progress, and provide clear roles for national stakeholders and partners. Consideration should be given to improving the effectiveness of donor support for RSSH through consistent human resources funding policies, and blended finance, multi-donor funds or other innovative finance options. Security of health workers and "do no harm" ethos should be paramount in determining how to address human resources for health (HRH) issues in both the short- and long-term, particularly given the large number of female health workers and lack of gender equity in many of these settings.

The Secretariat partially agrees with the recommendation. We strongly agree on the importance of strengthening resilient and sustainable health systems in COEs, and that taking a long-term approach can be useful. However, longer-term and contingency planning may not be feasible in all COE contexts, particularly in those contexts where long-term planning processes are difficult due to the operating context and where the presence of in-country partners is not guaranteed for the duration of multiple funding cycles. We agree that consideration should be given to improving effectiveness of donor support through supporting development of Human Resources for Health (HRH) policies, improving the security of health workers, and supporting gender equity workforce concerns using a do-no-harm approach. We also agree that using more innovative health financing approaches would be helpful. Guidance on these issues, plus how to improve the effectiveness of RSSH investments, is included in the new RSSH information note, and efforts are being made to ensure implementation of new RSSH 'critical approaches' including for HRH, throughout the grant lifecycle

Recommendation 7: Facilitate participatory capacity strengthening planning to address underlying constraints to local ownership, leadership and implementation of grants. Work with appropriate partners (e.g., World Bank, USAID) to develop a grant management capacity assessment and planning tool to be used through a participatory process facilitated by the CT and COE Team with country-level public, private, and community stakeholders and partners to develop a country ownership plan

The Secretariat partially agrees with the recommendation. We appreciate and agree on the importance of enhancing local ownership, leadership and governance during the implementation of grants. The Secretariat will continue to facilitate discussions with PRs, CCMs and relevant technical and bilateral partners to strengthen efforts regarding capacity strengthening for planning and implementation. We appreciate that a tool for participatory planning and leadership and management could be useful, but this has proven difficult to implement and sustain, based on GAVI's recent experience in this area. While a tool could be helpful, it will not solve the problem of leadership and management. The Secretariat feels it would be more beneficial for countries to work together with partners and align on pragmatic, long-term, sustainable capacity building of technical and leadership skills at the

country level. While the Secretariat can facilitate or support this work, in-country partners are better placed to lead this work as they have a comparative advantage for TA provision and tool development. We will also continue to emphasize the role of community systems and responses in COEs, as evidence shows that strong local community-led organizations can be effective and efficient implementors. Increased investments in community systems strengthening in these countries can help achieve more in the long term as suggested by the TERG.

Finally, regarding the confusion between the COE policy and the Additional Safeguard Policy (ASP), which has been raised by the TERG evaluation, the Secretariat understands that this may arise from the fact that the majority of COEs are also under ASP, suggesting their inter-connectedness. However, the two policies are distinct and should not be seen as linked and will continue to be implemented distinctly.

Conclusions

We thank the TERG Evaluation Team for its excellent collaboration and acknowledge the significant amount of work that was carried out in a short time frame. The Secretariat will take a results-oriented approach to enhancing communications and knowledge-sharing with stakeholders, by highlighting COE policy implementation best practices and encourage strategic partnerships in the next grant cycle. We are committed to improving country-level understanding of the COE Policy by sharing best practices on flexibilities, innovation and partnership, while encouraging stakeholders to propose more creative solutions under the auspices of the COE Policy.

Summary of Recommendations

Recommendations	Level of Agreement	Level of Control
1. Agree on an adapted risk acceptance approach with clear financial risk thresholds for COE grant portfolios.		
2. Ensure a more consultative process to engage country stakeholders on operationalizing the COE policy during GC7 and future grant making processes.		
3. Pilot packages of pre-defined flexibilities for five or more COE countries representing diverse contexts.		
4. Ensure that practical examples of COE best practices with regards to flexibilities, innovation and partnerships are referenced.		
5. Provide clear tools and guidance to support the use of flexible partnerships and contracting mechanisms to encourage partnerships with organizations appropriate to the needs of each COE context in GC7.		
6. Ensure long-term (6 - 9 years) and contingency planning for strengthening resilient and sustainable systems for health in COE portfolios is undertaken jointly with partners and national stakeholders.		
7. Facilitate participatory capacity strengthening planning to address underlying constraints to local ownership, leadership and implementation of grants, and work with appropriate partners to develop a grant management capacity assessment and planning tool to be used.		
8. Prioritize implementation of the prevention of sexual exploitation, abuse and harassment (PSEAH) operational framework, including the safety and security of key populations involved in Global Fund activities.		

RFP No TGF-21-117

Final Report

Thematic Evaluation of the Global Fund's Performance in Challenging Operating Environments (COE)

TERG Evaluation

Submitted by Health Management Support Team
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ACKNOWLEDGEMENTS

The HMST team appreciates the continued support it has received throughout this evaluation. In particular, the clear guidance from the TERG – particularly our main focal points, Helen Evans and Erin Eckert, and the timely support and responsiveness of the TERG Secretariat by John Puvimanasinghe, Betty Brady, and Jutta Hornig. Betty has been instrumental in setting up interviews at the global level, facilitating introductions between the evaluation team's country leads and the Country Teams to launch the case studies, and facilitating and following-up requests for documentation. The support of the Country Teams to ensure quick approval of the case study countries was critical to enabling this evaluation to start quickly, particularly given the overall short timeframe. The time and thought invested in reviewing and providing feedback on the case studies was also appreciated. The team also thanks the Challenging Operating Environments Support Team – Francesco Moschetta, Yasuko Asano, and Giovanna Guglielmi – who has provided useful guidance on key informants, engaged with us on multiple occasions, and provided additional documentation.

The team has appreciated the time and thoughtfulness of all the people who participated in interviews for this evaluation. Some individuals also provided additional information, including Michael Olszak-Olszewski, the Key Performance Indicator Manager, who provided data showing comparative performance of COE and non-COE countries; Emily Hughes, the Strategic Initiatives Manager provided access to the Strategic Initiatives Tracker; and Olga Bornemisza, Senior Technical Advisor, RSSH, TAP for providing access to relevant RSSH comparative data. Thaddeus Shigwedha, an Advisor from the Operational Efficiency team, provided data on COE and non-COE registered revisions.

Finally, the team expresses its appreciation to the representatives of the Secretariat and TERG who participated in a hybrid workshop to discuss and validate the preliminary recommendations. The discussion and feedback were informative and constructive, and contributed to strengthening the evaluation's recommendations.

EXECUTIVE SUMMARY

Evaluation scope and objectives

The Global Fund's Challenging Operating Environments (COE) Policy was approved by the Board in April 2016 and came into effect in 2017.[1] Two cycles of grants have been designed and approved and are either mostly completed (2017–2019) or underway (2020–2022) since the initiation of the Policy. Therefore, the Strategy Committee requested the Technical Evaluation Reference Group (TERG) to undertake an evaluation of the operationalization and implementation of the COE Policy in order to assess whether adjustments are needed as the Global Fund prepares for the next round of grants (New Funding Mechanism [NFM] 4) and a new strategic period (2023 – 2028).

The five objectives of this evaluation are to:

1. Evaluate how the COE policy has been **operationalized** across the Global Fund COE portfolio and assess how the COE policy contributes to enhancing or impeding the Global Fund strategic and disease priorities.
2. Assess the **implementation** of the COE policy against the three principles governing Global Fund investments in COEs, i.e., flexibility, partnerships, and innovation.
3. Assess the **effectiveness and efficiency** of grant implementation in a sample of the COE portfolio and to articulate initiatives in reprogramming; evaluate program performance and risk assessment for Global Fund investments in selected countries representing different COE contexts.
4. Assess the **impact of the COVID-19** pandemic on the COE portfolio performance and COE policy implementation including program adaptability of the three diseases to COVID-19 for lessons learned to inform pandemic preparedness and response in COE contexts.
5. Identify **key lessons** from implementation of the COE Policy and provide recommendations to improve the Global Fund's investment in COEs.

Findings and conclusions[2]

The COE policy has been found to be necessary, appreciated, and utilized. The evaluation found the policy well-operationalized at the Secretariat level, with a high-level of knowledge and general acceptance of the COE Policy and evidence that the COE designation was used to distinguish these portfolios within Global Fund processes. A well-functioning and much appreciated COE Team is in place, which has supported policy operationalization in accordance with the Operational Policy Note (OPN). Comparative analyses and key informants indicate that COE contexts where additional support could add value are generally being appropriately identified. There is evidence that flexibilities are being utilized, new non-traditional partnerships are bearing fruit, and some innovations, such as the regional mechanism to address HIV, TB, and malaria in the Middle East Response (MER), were evident.

[1] The Global Fund (2016), "Decision Point: The Challenging Operating Environments Policy", GF/B35/03 Board Decision, 35th Board Meeting: Geneva: Switzerland.

[2] Health Management Support Team (HMST) undertook the evaluation utilizing desk reviews, key informant interviews, comparative case study analysis, and review of relevant policies of comparator organizations. A consultative workshop was held on the recommendations with Global Fund staff.

Quantitative evidence indicates that the performance gaps between COE and non-COE designated portfolios noted in 2014 and 2016 (in terms of disbursements and meeting disease targets) were no longer significant by 2021. Responses in acute emergency settings were praised within the Global Fund and by partners for speed and flexibility. Some contexts have made good use of COE flexibilities to address regional population movements, which can serve as examples for other regions. The Policy therefore seems to be sufficiently fit-for-purpose at this time.

However, there remains scope to enhance policy implementation to further strengthen program outcomes in COE portfolio countries. Many evaluation respondents within and external to the Global Fund, as well as findings of OIG, TERG, and other reports indicate that the Global Fund's approach to COE designated countries is insufficiently differentiated from "business-as-usual." A number of interview respondents at the Secretariat, partner, and country level highlighted the "human cost" of managing Global Fund portfolios in COE environments given the heavy administrative, reporting, financial management, and operational requirements. In particular, Core and Focus Country Teams (CTs) covering COE-designated portfolios noted the significant amount of time needed to support and manage the portfolio, and engage and negotiate with counterparts, which leave little time for additional partner coordination, let alone service delivery innovations in these challenging contexts.

A number of factors constrain the full operationalization of the COE policy: While the Global Fund's country-specific approach respects individual country contexts, there is variable and unclear risk acceptance levels across the Global Fund Secretariat. This is transmitted to implementing partners, and creates uncertainty, and inadvertently limits the use of the policy. Knowledge of and understanding about the policy was found to be much lower among country-level stakeholders (Principal Recipients, Sub-Recipients, Country Coordinating Mechanisms, the government, Local Fund Agents, civil society and other partners) compared to the Secretariat level, which contributes to a lack of utilization of flexibility, innovation and partnership opportunities. The policy is inconsistently used by CTs for different reasons, including the time-consuming nature of flexibility request (depending on CT size) and approval processes, competing priorities, and different risk tolerance levels.

With regard to the policy's principles of flexibility, innovation and partnership, particularly for Core and Focus countries CTs note that while the process for accessing flexibilities appears simple, and has been further simplified, it remains onerous. Furthermore, some CTs, country stakeholders and partners, find the lack of guidance on possible flexibilities makes understanding the benefits of the policy unclear, thereby creating a barrier to using the policy. For other CTs, the COE policy has facilitated some innovative and effective approaches to addressing COE contexts. However, these examples are not widely shared, which limits opportunities for learning, adaptation and scale-up. For instance, the Global Fund's engagement in the humanitarian-development-peace nexus, including developing new partnerships with humanitarian actors with more experience in COE contexts, has contributed to increased program coverage. However, there are opportunities to deepen and expand these relationships. In particular, learning from existing good practices has the potential to expand and improve outcomes at the country-level. This is particularly the case in the areas of equity, gender-based violence (GBV), safety and security of key and vulnerable populations (KVPs), including implementers of programs for

criminalized populations, and meeting the needs of people on the move, including forcibly displaced, mobile and migrant populations.

It is difficult to determine the impact of the policy on enhanced grant efficiency and effectiveness in COE portfolios. The majority of approved COE flexibilities support administrative processes at the Secretariat level rather than implementation challenges at the country level. Even these flexibilities, however, do not adequately simplify Global Fund processes or clarify acceptable risk levels to sufficiently reduce administrative burdens. In addition, the evaluation team notes the attention to efficiency and effectiveness, but discerned little attention toward ensuring equity, except ad hoc by CTs and country partners. This mirrors the Prospective Country Evaluation findings from other contexts that, "in some cases, efficiency and/or effectiveness considerations appear to have taken precedence over equity considerations in NFM3 grant design."[3]

Furthermore, COE designated countries are often under the Additional Safeguards Policy (ASP) as a result of poor systems and high-risk environments, with additional Global Fund imposed constraints regarding selection of the PRs and cash policies. This overlap in many countries of the two designations often results in confusion at the country level between the two policies.[4] There seems to be no clear process to ensure that the two policies are harmonized to support implementation. As ASP is a risk mitigation measure, it is often in place where there are concerns about country capacity. However, in contexts where the focus is on immediate life-saving support in a humanitarian or crisis context, attention and investment in strengthening financial management systems and capacity by the Global Fund and other partners is often lacking or deprioritized in favor of addressing immediate needs.

The impact of COVID-19 in COE countries was as diverse as the contexts themselves, with limited impact in some contexts, but creating additional challenges in most – particularly for resilient and sustainable systems for health (RSSH). Yet the crisis also created opportunities, for example for communities to fill service delivery gaps. The Global Fund's response to COVID-19 gave all countries access to needed flexibilities – demonstrating its capacity for speed and flexibility – however COEs experienced no additional differentiation despite their more challenging environments. While the COVID-19 Response Mechanism (C19RM) was appreciated for its opportunity to reprogram savings in 2020, and to receive additional resources in 2021, it also created additional administrative and reporting burdens, with the result that C19RM disbursement rates lag behind those of non-COE countries.

A summary of key lessons learned and conclusions that led to recommendations is as follows:

1. Unclear and inconsistent individual risk appetites constrain the use of the policy, and contributes to inconsistent operationalization.
2. Limited understanding of the COE policy at the country level, and the lack of a structured opportunity to consider flexibilities, innovation and partnership appropriate to the context, contributes to the policy not fulfilling its potential.

[3] The Global Fund (2022), "Technical Evaluation Reference Group: PCE Extension Synthesis Report. TERG Position Paper, Management Response and Final Report". March.
[4] See Annex 4 for a list of COE and ASP countries, noting that around three-quarters of COE countries are under ASP, and around three-quarters of countries under ASP are COE designated countries.

3. Periodic COE stakeholder meetings hosted by the Secretariat's COE Team are appreciated opportunities for exchanging lessons learned, yet additional opportunities for learning and sharing are needed.
4. The standard three-year program planning cycle is insufficient to achieve measurable change in health systems contexts, particularly amidst chronic instability.
5. Human resources for health (from program management to service delivery) are often particularly scarce in COE settings due to insecurity, out-migration and violence.
6. In some COE contexts, governance and implementation structures can by-pass government programs and local stakeholders for expedience, resulting in strained relationships and a lack of ownership by national authorities. Clear plans for strengthening engagement of governments and local stakeholders in program implementation are needed, but seldom exist, and were not evident even for transition from ASP in some contexts, which countries found discouraging, and see a similar approach to the COE designation.
7. Despite the increased risk of sexual exploitation and harassment in unstable contexts, no evidence was found of consistent or appropriate efforts to apply the Protection from Sexual Exploitation and Abuse, Sexual Harassment and Related Abuse of Power Operational Framework (2021) – nor to ensure the safety and security of key and vulnerable populations (KVPs), particularly in their engagement with Global Fund activities – due to lack of prioritization and resources by the Global Fund. This remains a relatively new area being addressed among many competing priorities.
8. Despite the well-established link between GBV and HIV transmission, and the increased risk of GBV in unstable contexts, limited evidence was found of adequate consideration of gender-responsive approaches and GBV support or partnerships in COE countries due to a lack of prioritization and resources.

Prioritized key recommendations

The evaluation team proposes the following recommendations, which include feedback from participating Global Fund Secretariat staff during a workshop to discuss the conclusions and the recommendations:[5]

1. **Agree on an adapted risk acceptance approach with clear financial risk thresholds for COE grant portfolios and provide clear guidance to the relevant departments across the Secretariat and country implementing partners for NFM4.** Communicating a higher and clearer level of financial risk acceptance to CTs and country-level partners will facilitate greater use of the policy and encourage innovation.
   Who: Global Fund Secretariat, Board.
   When: NFM4 funding request development processes.

2. **Ensure a more consultative process to engage country stakeholders on operationalizing the COE policy during NFM4 and future grant making processes**. Built into the revised Operational Policy Note, this process can include an orientation to the policy, rationale for COE designation, and a participatory review of the operational plan for program implementation, with discussion on what

[5] TERG COE Policy Evaluation/ HMST validation workshop held at the Global Health Campus on 26 July 2022.

flexibilities are necessary to facilitate the process. It should also include discussion of how the COE policy and ASP (where appropriate) will be jointly utilized.

Who: GF Secretariat (A2F requirements and OPN update to reflect this more consultative process).

When: At the beginning of NFM4 grant implementation.

3. **Pilot packages of pre-defined flexibilities for five or more COE countries representing diverse contexts, to test whether an automatic/opt-out differentiated approach contributes to improved results within acceptable risk thresholds**. These packages may include simplified funding request and reporting templates, fewer indicators, longer reporting timeframes, automatic limited liability clauses for implementers in high-risk areas, adapted allocation formula, increased budget flexibility, flexible reprogramming timeframes, and shorter approval timelines. This process can be reviewed for modification or scale-up for NFM5.

   Who: GF Secretariat.

   When: During NFM4 grant making and early grant implementation.

4. **Ensure that practical examples of COE best practices with regards to flexibilities, innovation and partnerships are referenced in the OPN and routinely documented and disseminated, particularly in preparation for grant negotiations during NFM4, and throughout the funding cycle**. Ensure that successful case studies – including examples of tools and templates used – are well known to support adapted replication and efficiency through additional documentation and wider stakeholder meetings. Actions proposed during the learning meetings should be monitored and followed-up in subsequent meetings. Particular attention should be given to sharing solutions found to address regional population displacement issues.

   Who: GF Secretariat.

   When: In preparation for NFM4, and throughout the funding cycle.

5. **Provide clear tools and guidance to support the use of flexible partnerships and contracting mechanisms to encourage partnerships with organizations appropriate to the needs of each COE context in NFM4**. This may include direct service contracts with the Secretariat, or blended financing and payment-for-results/direct facility funding contracts at the country level, drawing on best practices identified in COE and non-COE designated high-risk environment countries. It should also include clearer guidance on how the CCMs (or equivalents) and PRs should engage the humanitarian community.

   Who: GF Secretariat.

   When: In preparation for NFM4 grant making.

6. **Ensure long-term (6 - 9 years) and contingency planning[6] for strengthening resilient and sustainable systems for health in COE portfolios is undertaken jointly with partners and national stakeholders**. Plans should be prioritized, recognize and address constraints specific to the COE context (e.g., social, political, economic, geographic, cultural aspects), define measurable indicators to assess progress, and provide clear roles for national stakeholders and partners. Consideration

[6] "Contingency" in this context refers to planning for, identifying and mitigating potential risks that might prevent accomplishment of a grant program's RSSH or capacity strengthening goals. While related to the contingency planning requested of PRs in the event of an emergency, this is a broader effort to support longer-term RSSH and capacity building efforts in COE settings. The recommendation also aims to bring attention to the need for developing contingency plans, as this was not evident in all COE countries.

should be given to improving the effectiveness of donor support for RSSH through consistent human resources funding policies, and blended finance, multi-donor funds or other innovative finance options. Security of health workers and "do no harm" ethos should be paramount in determining how to address human resources for health (HRH) issues in both the short- and long-term, particularly given the large number of female health workers and lack of gender equity in many of these settings.

Who: GF Secretariat with partner support.
When: During NFM4.

7. **Facilitate participatory capacity strengthening planning to address underlying constraints to local ownership, leadership and implementation of grants**. Work with appropriate partners (e.g., World Bank, USAID) to develop a grant management capacity assessment and planning tool to be used through a participatory process facilitated by the CT and COE Team with country-level public, private, and community stakeholders and partners to develop a country ownership plan.

   Who: GF Secretariat (Country Teams and COE Team), with partner support.
   When: Develop tool to roll out during NFM4, with plans to run through NFM5 and beyond.

8. **Prioritize implementation of the prevention of sexual exploitation, abuse and harassment (PSEAH) operational framework, including the safety and security of key populations involved in Global Fund activities. In addition, GBV prevention and response requires special attention in COE portfolios**. Ensure that COE country proposals identify SEAH- and KP safety and security related risks, and incorporate corresponding mitigation measures into program design, preferably through use of the SEAH risk assessment tool.[7] Coordinate with the GBV cluster at the country level to determine how Global Fund investments can best to leveraged to mitigate the risks and consequences of GBV – a key contributing factor to HIV transmission in emergency and unstable settings – and other forms of violence and harassment against key and vulnerable populations.

   Who: GF Secretariat (A2F, with technical guidance from CRG), with partner support.
   When: During NFM4 grant making and early grant implementation.

[7] Funding Request Instructions for all categories (Full, Continuation, Focused) published 29 July 2022 include a section on SEAH and state: "For the 2023-2025 allocation period, all applicants are recommended to identify SEAH-related risks and corresponding mitigation measures during program design. The use of the SEAH risk assessment tool is optional." Consideration should be given to requiring these assessments for COEs.

Abbreviations and acronyms

A2F	Access to Funding Department
AGYW	adolescent girls and young women
AME	Africa and the Middle East
ASP	Additional Safeguards Policy
CAR	Central African Republic
CBO	community-based organization
C19RM	COVID-19 response mechanism
CCM	Country Coordinating Mechanism
CCS	country case study
CEO	Chief Executive Officer
COE	challenging operating environment
COI	conflict of interest
CRG	Community, Rights and Gender Department
CSS	community systems strengthening
CSO	civil society organization
CT	Country Team
CTE	Core Team of Experts
DAC	Development Assistance Committee
DTL	deputy team lead
EF	Emergency Fund
EGMC	Executive Grant Management Committee
ERI	External Risk Index
EQ	evaluation question
EU	European Union
FA	fiscal agent
FCS	fragile and conflict-affected states
FGD	focus group discussion
FPM	Fund Portfolio Manager
FR	funding request
GAC	Grant Approval Committee
Gavi	the Global Vaccine Alliance
GBV	gender-based violence
GF	the Global Fund to Fight AIDS, Tuberculosis and Malaria
GMD	Grant Management Department
HDP Nexus	humanitarian-development-peace nexus
HIV/AIDS	human immunodeficiency virus/acquired immune deficiency syndrome
HMST	Health Management Support Team
HRH	human resources for health
HTM	HIV, tuberculosis and malaria
iCCM	integrated community case management
ICRC	International Committee of the Red Cross
IDP	internally displaced person
INGO	international non-governmental organization
IOM	International Organization for Migration
IR	inception report
IRM	integrated risk management
KI	key informant
KII	key informant interview

KP	key populations
KPI	key performance indicator
KVP	key and vulnerable populations
LFA	local funding agent
LLIN	long-lasting insecticide-treated nets
M&E	monitoring & evaluation
MCG	multi-country grant
MECA	Monitoring and Evaluation and Country Analysis Team
MENA	Middle East and North Africa
MER	Middle East Response
MOH	Ministry of Health
MSF	Médecins Sans Frontières
MSM	men who have sex with men
NFM	new funding mechanism
NGO	non-governmental organization
NSP	national strategic plan
OECD	Organization for Economic Cooperation and Development
OIG	Office of the Inspector General
OPN	operational policy note
PA	procurement agent
PCE	Prospective Country Evaluation
PHME	Public Health Monitoring & Evaluation (Country Team member)
PLHIV	people living with HIV
PR	principal recipient
PPC	portfolio performance committee
PSEAH	prevention of sexual exploitation, abuse and harassment
PSM	procurement and supply chain management
QUART	qualitative risk assessment, action planning and tracking tool
RSSH	resilient and sustainable systems for health
SA	strategic advisor
SC	Strategy Committee
SDG	Sustainable Development Goal
SI	strategic initiative
SIID	Strategic Investment and Impact Department
SO	strategic objective
SOE	strength of evidence
SR	sub-recipient
SR2020	Global Fund Strategic Review 2020
SSR	sub-sub-recipient
STC	sustainability, transition, co-Financing
TA	technical assistance
TAP	Technical Advice and Partnership Team
TB	tuberculosis
TERG	Technical Evaluation Reference Group
TS	Technical Evaluation Reference Group Secretariat
TSG	Technical Support Group (part of the Middle East Response)
TL	team leader
TOR	terms of reference (for the evaluation)
TRP	Technical Review Panel
UHC	universal health coverage
UN	United Nations

UNAIDS	The Joint United Nations Program on HIV/AIDS
UNHCR	United Nations High Commission for Refugees
UNHRD	United Nations Humanitarian Response Depot
UNOPS	United Nations Office for Project Services
USAID	United States Government Agency for International Development
WCA	West and Central Africa
WHO	World Health Organization
WVI	World Vision International

1. INTRODUCTION

1.1. Background

The Global Fund has long recognized that some countries in its large and diverse portfolio face additional challenges. In 2010, internal analysis found that 41 countries considered "fragile" performed worse than others. The Review of Fragile States carried out by the TERG in 2014 found that grant performance in these same countries continued to deteriorate in all three diseases – particularly malaria.[8] There was growing recognition in the Global Fund Secretariat and the Board, that "among the multiple risks, the main risk for the Global Fund in fragile states is operational", and that these risks threated the achievement of Global Fund's mission in these countries.[9] The 2014 TERG review recommended a differentiated approach and proposed the term "challenging operating environments" (COE), which "embrace countries that have poorer grant performance, present greater operational challenges and risks and warrant more flexible measures."[10]

To provide this flexibility, the COE policy was approved in 2016, with the Operational Policy Note (OPN) following in 2017. As part of its approach to risk management, the Global Fund routinely assesses its portfolio based on the External Risk Index (ERI) – an annual aggregate of nine external indices to create a picture of the political, economic, governance and operational factors that contribute to external risks. From this, countries considered at high or very high risk for poor program implementation and outcomes are identified.[11] In April 2016, the Global Fund categorized 24 out of the 47 countries assessed as high or very high risk as COEs, noting "these environments have high ERI and are characterized by weak governance and man-made or natural crises."[12] These countries also tend to be among the poorest countries served by the Global Fund, and to have high disease burdens.[13] Since then, the list of COE designated countries – updated annually or as needed – has expanded to 29 (as of May 2022. See Annex 3 for additional information on the Global Fund's COE-designated countries).[14]

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[8] The Global Fund (2017), Audit Report: Global Fund Grant Management in High Risk Environments, GF-OIG-17-002, Geneva, Switzerland.
[9] The Global Fund (2014), TERG Position Paper: Thematic Review of the Global Fund in 'Fragile States', Geneva, Switzerland.
[10] The Global Fund (2014), Thematic Review of the Global Fund in Fragile States, with Euro Health Group.
[11] The nine indexes are: Fragile States Index (Fund for Peace); INFORM Index (Inter-Agency Standing Committee Task Team for Preparedness and Resilience); Global Peace Index (Institute for Economics and Peace); UN's Safety & Security Index; and five of the six World Bank Governance Indices: Voice and Accountability Index; Government Effectiveness Index; Regulatory Quality Index; Rule of Law Index; and the Control of Corruption Index. The ERI was previously based on ten indicators. The Ease of Doing Business Index has been suspended for publishing by the World Bank in 2020, hence, it was excluded from the ERI 2020 and 2021 calculation.
[12] The Global Fund (2017), Audit Report: Global Fund Grant Management in High Risk Environments, GF-OIG-17-002, Geneva, Switzerland.
[13] Sixty-two percent of COE countries are classified as low income (LI), 20 percent as lower-lower middle income (lower-LMI), 7 percent as upper-lower middle income (upper-LMI) and 10 percent as upper middle income (UMI). Respective percentages for the entire portfolio are 21 percent LI, 25 percent lower-LMI, 17 percent upper-LMI, 37% UMI, and <1 percent high income.
[14] The 29 countries as of May 2022: Afghanistan, Burkina Faso, Burundi, Central African Republic, Chad, Democratic Republic of the Congo, Eritrea, Guinea, Guinea-Bissau, Haiti, Iraq, Democratic People's Republic of Korea, Lebanon, Liberia, Mali, Myanmar, Nicaragua, Niger, Nigeria, Pakistan, Palestine, Sierra Leone, Somalia, South Sudan, Sudan, Syria, Ukraine, Venezuela and Yemen. See Appendix 3.

Other tools have been introduced to support operational challenges and manage risks, such as the Additional Safeguard Policy (ASP) (2004)[15], Fiscal Agents (FA), and Procurement Agents (PA). While these measures do not specifically target COEs, there is often overlap. As of June 2022, 20 out of 29 COEs, or 69% of COEs are also under ASP, with the same proportion of ASP countries being COEs (the list of these countries is presented in Annex 4).

The COE Policy aimed to "systematize the Global Fund's approach in COEs and to provide overall guidance on future Global Fund engagement in these contexts."[16] It describes COEs as "countries or regions characterized by weak governance, poor access to health services, and man-made or natural crises", and notes that "COEs are particularly critical to the Global Fund mission and objectives: they account for a third of global disease burden for HIV, TB and malaria, and for a third of Global Fund investments. Programmatic challenges in COEs require a differentiated approach to increase health impact, blending development and humanitarian approaches."[17] This is considered necessary in order to "increase coverage of HIV, TB and malaria preventive and therapeutic services, to reach key and vulnerable populations, and to save lives." To achieve this, the policy promotes three principles governing Global Fund investments in these contexts: **flexibility, partnerships and innovation**. Flexibilities are intended to "enhance responsiveness and timeliness of Global Fund investments, reduce administrative burden for partners, and facilitate more effective service delivery to populations in need." The policy sees partnerships as central to strengthening in-country governance, technical assistance, and service delivery, and innovations are also viewed as critical to maximizing results in COEs.

Both the policy and in further detail, the OPN, note the types of flexibilities that can be invoked across the grant design, implementation and monitoring cycle, noting that any flexibilities will be decided on a case-by-case basis to allow for adaptation to different contexts. In this sense, the policy and the OPN were left deliberately open to allow Country Teams (CT) to request the flexibilities they identify as necessary. This is reinforced by the OPN which iterates that "Flexibilities are not limited to those described in this OPN."[18] Rather, the CT "is primarily responsible for defining and implementing a tailored operational strategy for each COE portfolio they manage", with support from the Secretariat COE Support Team, review by the Secretariat advisory committee, and oversight by the Executive Grant Management Committee (EGMC).

[15] The ASP was adopted by the Board in March 2004 (GF/B07/DP14) as part of the Global Fund's portfolio risk management framework. It accounts for contexts where specific country or recipient constraints create the need for alternative implementation arrangements to better safeguard the accountable use of Global Fund resources. The ASP is primarily focused on addressing material implementation issues at the program implementer level (e.g., Principal Recipients, Sub- Recipients) where there is "a demonstrated lack of capacity or failure to effectively deploy, implement and/or safeguard Global Fund grant funding and assets as a result of factors within and beyond the control of existing implementers in a particular country (e.g., civil unrest, an influx of displaced persons, governmental instability, and inadequate national program capacity)". (Source: Operational Policy Note: Additional Safeguard Policy (May 2019),Operational Policy Manual).

[16] The Global Fund (2016), "Decision Point: The Challenging Operating Environments Policy", GF/B35/03 Board Decision, 35th Board Meeting: Geneva: Switzerland.

[17] The Global Fund (2016), "The Challenging Operating Environments Policy", GF/B35/03 Board Decision, 35th Board Meeting: Geneva: Switzerland.

[18] The Global Fund (2022), "Challenging Operating Environments Operational Policy Note," (Issued 16 January 2017), *Operational Policy Manual*, Geneva, Switzerland.

Table 1: Evolution of the Global Fund's Challenging Operating Environments Policy [19]

Year	Initiative
2014	TERG thematic review of Global Fund in Fragile States
	Emergency Fund Special Initiative approved by the Board[20]
2016	Consultation on human rights and gender equality in COEs
	COE policy approved by the Board
	Secretariat differentiates internal resources between High Impact, Core and Focused portfolios based on disease burden and country context
2017	COE included as an operational sub-objective in the 2017-2022 Strategy
	Audit of Global Fund Grant Management in High-Risk Environments
	COE Operational Policy Note issued
	Creation of COE support team
	Human rights and gender programming in COEs Guidance Brief issued
2018	COE Implementers Survey
2019	Guidelines on the Emergency Fund Special Initiative issued
	Information Note on COEs regarding contingency planning
	COE Stocktaking Meeting
	WCA OIG Advisory Review
2020	COE Annual Workshop
2021	Prospective Country Evaluations (PCEs) (2017 – 2021) includes specific information on COEs, and PCE data for DRC, Sudan and Myanmar[21]
	COE Annual Meeting
2022	TERG COE Evaluation

Today, COE countries represent 28% of the Global Fund's total investment (a total of nearly USD 16 billion)[22], and in 2020-2022, COEs account for 52% of the malaria burden, 24.2% of tuberculosis (TB), and 13.3% of HIV.[23,24] Six, or 21% of the COE countries are currently designated as High Impact countries, two (7%) are Focused, and the remaining 21 (72%) are Core countries (see Annex 3 for COE country classification). Given the important role that COEs play in the Global Fund's portfolio, and the

[19] Adapted from the Challenging Operating Environments Induction for Global Fund Partners, January 2022, Paris, by the COE Support Team; and The Global Fund (2019), Advisory Report: Grant implementation in Western and Central Africa (WCA). Overcoming barriers and enhancing performance in a challenging region, GF-OIG-19-013, The Global Fund: Geneva, Switzerland.
20 Approved by the Board under decision point GF/B31/DP06, and as set forth in GF/B31/08A – Revision 1.
[21] Myanmar was designated a COE country following the coup in 2021; the PCE covered Myanmar during an earlier timeframe, before it was designated as a COE.
[22] Global Fund Data Explorer, as of the June 2022 disbursement. Note that this figure drops to 18% if only two countries – DRC and Nigeria – are excluded.
[23] Included without source document in the Request for Proposals for this evaluation. The evaluation team is attempting to verify and update these figures.
[24] Based on the disease burden according to the Global Fund allocation model approved by the Board.

assumption that the number of COEs is likely to increase in the years ahead amidst growing instability, conflict, and climate-change driven natural disasters, this evaluation is timely in reviewing to what extent the policy and its implementation are fit for purpose or whether modifications are needed to support implementation of the new Global Fund 2023-2028 strategy, "Fighting Pandemics and Building a Healthier and More Equitable World".[25]

1.2. Overview of the evaluation

Aim and purpose of the evaluation

Given the current and potentially growing importance of COE-designated countries to the Global Fund's overall portfolio, being able to work effectively in these contexts is mission-critical. Much was learned during the 2014 TERG review of the Global Fund's work in fragile states prior to the COE policy, and again by the 2017-2018 Office of the Inspector General (OIG) review, resulting in the 2019 advisory report,[26] after the policy had been in use for a couple of years. This evaluation aims to review the implementation of the COE policy after five years and its impact on grant effectiveness and efficiency, in order to propose recommendations that will ensure that the policy and its implementation effectively support the new Global Fund Strategy 2023-2028.

Objectives of the evaluation

The evaluation has five objectives that consider the policy itself, its operationalization and implementation of the three principles – flexibility, innovation, and partnerships – and the broader performance and challenges facing COE contexts in general, and in relation to the COVID-19 pandemic. This report is structured around responding to the following five objectives:

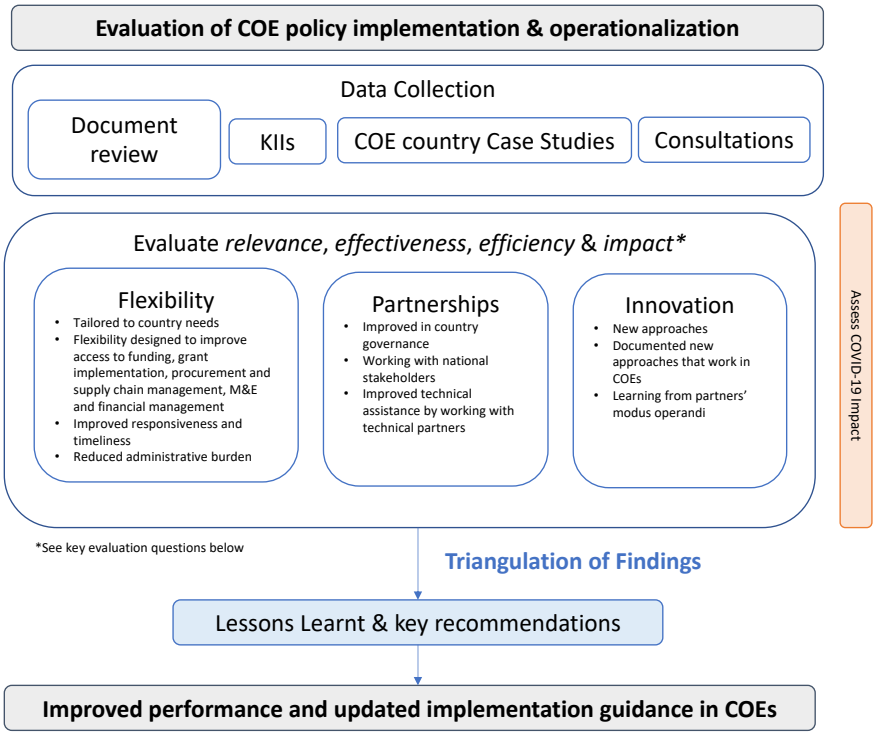
1. Evaluate how the COE policy has been **operationalized** across the Global Fund COE portfolio and assess how the COE policy contributes to enhancing or impeding the Global Fund strategic and disease priorities.
2. Assess implementation of the COE policy against the **three principles** governing Global Fund investments in COEs, i.e., flexibility, partnerships, and innovation.
3. Assess the **effectiveness and efficiency** of grant implementation in a sample of the COE portfolio and to articulate initiatives in reprogramming; evaluate program performance and risk assessment for Global Fund investments in selected countries representing different COE contexts.
4. Assess the **impact of the COVID-19** pandemic on the COE portfolio performance and COE policy implementation including program adaptability of the three diseases to COVID-19 for lessons learned to inform pandemic preparedness and response in COE contexts.
5. Identify **key lessons** from implementation of the COE Policy and provide recommendations to improve the Global Fund's investment in COEs.

[25] Document based on the Strategy Narrative (GF/B46/03 – Revision 1) approved by the Global Fund Board (GF/B46/DP03) on 8 November 2021.
[26] The Global Fund (2019), Advisory Report: Grant implementation in Western and Central Africa (WCA). Overcoming barriers and enhancing performance in a challenging region, GF-OIG-19-013, The Global Fund: Geneva, Switzerland.

Scope and analytical framework

This evaluation reviews how the policy, processes and practices of the Global Fund could be improved and strengthened in COE contexts under the new Global Fund strategy. To achieve this, the team has assessed the operationalization and implementation of the Global Fund COE Policy in the COE grant portfolios in the 2017–2019 (New Funding Mechanism [NFM] 2) and 2020–2022 (NFM3) funding cycles. Implementation is assessed against the three COE policy principles of flexibility, partnerships and innovation. The evaluation also considers the impact of COVID-19 on the COE portfolio performance. This analysis is then used to identify lessons learned and draw conclusions and recommendations. This framework is presented in Figure 1.

Figure 1: Analytical framework



1.3. Methodology

Desk review

The Evaluation Team reviewed numerous documents, including previous TERG, OIG and Technical Review Panel (TRP) reviews, evaluations, advisories and lessons learned, reports produced by the COE Department, background and guidance documents on Global Fund Strategic Initiatives and processes, board meeting notes and related reports, and internal presentations. Financial and performance data were also analyzed for COE countries, as well as comparing to non-COE countries as appropriate. External reports, evaluations and case studies were also reviewed. Policy and evaluation documents from other organizations were also reviewed for comparison with the Global Fund. Documents were reviewed against thematic pillars for triangulation. A complete list of the documents reviewed is presented in Annex 1.

Global interviews

The TL and DTL conducted 54 remote interviews at the global level to date, with a total of 61 people. These included individual and focus group interviews with Secretariat staff, the TRP and the Board. Partners including United Nations (UN) agencies (UNDP, IOM, UNFPA, UNICEF, and WFP), international non-governmental organizations (INGOs) (SCF, CRS, WVI and Cordaid)[27] and Gavi were also reached. A complete list of the people interviewed at the global and regional levels is presented in Annex 2.

Country case studies and thematic reviews

Eight COE-designated countries[28] were selected for deeper analysis through comparative case studies – including a mix of geographic regions, focus, funding model, long-term and new COE designation, and both acute emergency and chronic instability contexts – allowing different aspects to come to light and be compared.[29] Five country leads covered one or two countries each, which included a desk review, interviews, and analysis. In total, 188 people were interviewed at the country level. While initially intending to conduct four case studies in-country, due to visa and security restrictions, only one country (Niger) was visited, and stakeholders representing the two Middle East Response (MER) countries (Yemen and the Syrian Arab Republic) were met in Jordan.[30] The country case studies are provided in a separate appendix, including the list of people interviewed for each country. Text boxes placed throughout the report provide relevant key findings or examples from the case studies and other thematic considerations.[31]

The evaluators also identified thematic areas for deeper analysis. Two thematic areas were selected with encouragement from the TERG: one looking into prevention of sexual exploitation, abuse and harassment (PSEAH) in COE settings, as well as gender-based violence (GBV) services (see Box 13); and the other into addressing the needs of displaced, mobile, and migrant populations ("people on the move") (see Box 14). Other thematic areas incorporated within the evaluation include resilient and sustainable systems for health (RSSH), implementing structures, and sustainability (see Box 7).

Analysis and triangulation

Data from the reading, interviews, and case studies were organized in matrices in order to analyze multidimensionally and to provide the basis for comparative analyses across the case studies. These layers of analysis include:

- Evaluation criteria: relevance, efficiency, effectiveness, and impact;
- COE policy principles: flexibility, partnership, and innovation;

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[27] UN agencies: United Nations Development Program, International Organization for Migration, United Nations Population Fund, United Nations Children's Fund, World Food Program; international non-government organizations: Save the Children Federation, Catholic Relief Services, World Vision International, Cordaid.
[28] The selected countries were Central African Republic, Mali, Niger, Somalia, South Sudan, Syria, Yemen, and Myanmar.
[29] The UNICEF-IDRC methodological guide notes that "Comparative case studies involve the analysis and synthesis of the similarities, differences and patterns across two or more cases that share a common focus or goal in a way that produces knowledge that is easier to generalize about causal questions – how and why particular programmes or policies work or fail to work." Goodrick, Delwyn (2014). Comparative Case Studies: Methodological Briefs - Impact Evaluation No. 9, Methodological Briefs no. 9,
[30] The Global Fund's Middle East Response (MER) is a muti-country initiative that covers six territories - Iraq, Lebanon, Palestine, Syria and Yemen; and similarly situated but not COE Jordan. It was developed as an innovative mechanism for efficiently managing the six programs.
[31] The list of boxes is provided in the table of contents, with direct links.

- Thematic issues: RSSH; human rights and gender (PSEAH and GBV); and crosscutting issues, including implementing structures and sustainability.

This organization of the data formed the basis of a remote team workshop that brought together different perspectives, while reducing bias during coding linked to the evaluation questions. A comparative analysis was also undertaken to identify lessons learned on emerging best practices from other comparable organizations. This contributed to the triangulation of findings, utilizing:

- Different sources of data from different stakeholders
- Diverse respondent types
- Analysis by all team members to reduce individual biases
- Use of a strength of evidence (SOE) rating.

Quality assurance and conflict of interest

Quality management and assurance was built into the design of this evaluation by ensuring clear workflows throughout implementation, with a clear separation of responsibilities between the team leader (TL), deputy team lead (DTL), strategic advisor (SA), and country case study leads – all under the oversight of the HMST Chief Executive Officer (CEO). The team met weekly to monitor progress and ensure early troubleshooting, when necessary, as well as to foster ongoing discussion of emerging observations. Outputs were developed and reviewed among the TL, DTL and SA as the first line of quality assurance, with final review and quality assurance conducted by the HMST CEO. The evaluation team also maintained close communication and coordination with the TERG Secretariat throughout the mission to plan, review, adjust, and address any emerging issues.

Two of the team members – the Team Leader and Strategic Advisor – were previously members of the Technical Review Panel (TRP) until 2021. To avoid any potential or perceived conflict of interest, the following mitigating measures were taken, which complied with Ethics Office guidance:

1. This previous association was mentioned at the beginning of all interviews;
2. The Deputy Team Leader (with no TRP or other Global Fund affiliations) reviewed all TRP documentation and led interviews with current TRP members.

Limitations

The evaluation team appreciated the early approval of the case study countries, which avoided significant delays in beginning case studies. While more case studies were intended to be conducted in-country, ultimately, visas were not possible for either Mali or Myanmar, and by the time this was confirmed, it was no longer possible to change to other countries. HMST recognizes that some nuance can be harder to uncover with remote case studies; however, the number of interviews conducted and documents reviewed still ensures a representative, triangulated methodology. The case-by-case nature of the Global Fund decision-making on COE flexibilities added additional complexity to the case-study comparative analysis. Two countries that seem similar may have very divergent access to flexibilities for a variety of qualitative reasons. The evaluators had to determine whether the policy was consistently applied within a wide range of options facing each country. As all case study countries were also ASP countries during the evaluation period, this meant that the evaluation was not able to do a comparative analysis of ASP and non-ASP COEs.

The COVID-19 pandemic, and Global Fund's subsequent response, also hampered determining the effects of the COE policy between NFM2 and NFM3. The widespread economic, social and health system disruptions across almost all countries during implementation of NFM3 meant that drawing lessons learned through comparing data between grant cycles was not straightforward. Another limitation was the unavailability of some key informants. In particular, despite TERG Secretariat support, the team was unable to obtain timely interviews at the global level at USAID, the World Bank, MSF, and UNFPA (although members of the GBV coordination team led by UNFPA were interviewed), resulting in review of documents (USAID, PEPFAR, World Bank) and written comments from the organizations (World Bank and UNFPA), rather than key informant interviews.

2. FINDINGS

2.1. Objective 1: Policy Operationalization

Objective 1: To evaluate how the COE policy has been operationalized across the Global Fund COE portfolio and assess how the COE policy contributes to enhancing or impeding the Global Fund strategic and disease priorities.

The COE policy provides the Global Fund with a more systematic approach to address outcomes in particularly difficult programmatic settings. It supports the further differentiation of a subset of high-risk environment countries or regions that face chronic instability and/or acute emergencies, and are thus likely to need additional country-by-country consideration to ensure program performance and achieve disease impacts. The policy is a direct response to the 2014 TERG review of fragile states which observed that, "performance and coverage will not be improved unless more radical measures are taken," which went on to propose the COE classification, and recommended a country-by-country approach focusing on delivering programs and achieving results, recognizing the diversity of contexts. [32] The policy also mirrors those of other multilateral institutions (e.g., Gavi and the World Bank) which define a subset of countries or regions facing fragility and call for additional flexibility, better responsiveness and more inclusive partnerships in order to address needs in these unstable and/or conflict-laden environments (see Comparative Analysis in Annex 5).[33]

Since board approval of the COE policy in 2016,[34] and the development of the Operational Policy Note (OPN) and the COE Support team in the Grant Management Department (GMD) in 2017, the approach to COE differentiation has become increasingly integrated into the Global Fund's business model. While improving outcomes in COEs was included as an operational sub-objective in the Global Fund's strategy for the period 2017-2022, there is no specific mention of COEs in the new strategy documents. According to the Secretariat, this is because the approach is now well mainstreamed into the Global Fund's operations and no longer needs to be specified. Team analysis of data made available also indicates that divergence in grant performance between COE and non-COE high-risk environments has faded,

[32] The Global Fund (2014), Thematic Review of the Global Fund in Fragile States, with Euro Health Group.
[33] A review of countries classified as fragile or needing additional support shows strong overlap between agencies. See Annex 5.
[34] The Global Fund (2016), "Decision Point: The Challenging Operating Environments Policy", GF/B35/03 Board Decision, 35th Board Meeting: Geneva: Switzerland.

indicating that the current approach may be working, at least in terms of improving disbursements and service delivery statistics.

Secretariat-level interviews and review of evidence indicate that the policy has been integrated at the Secretariat level, not only within GMD, but also where relevant across other departments, including the Strategic Investment and Impact Department (SIID) (e.g., the Technical Advice and Partnerships, Access to Funding, and Community Rights and Gender teams), Risk Management, Programmatic Monitoring and the Strategy and Policy Hub. To ensure operationalization of the policy, a multi-departmental COE working group – including GMD and SIID – was formed, which met regularly in the early days, but meets less frequently now that the approach is better established. Currently, the policy seems well understood within the Global Fund Secretariat and serves to further differentiate particularly the Core countries that may require additional consideration in Global Fund processes. Countries designated as High Impact report having other means of accessing flexibilities, as well as the human resources needed to process memoranda to request exceptions.[35] Global key informants (KIs) indicated commitment to ensuring COE performance continues to improve, particularly given the clear objective to "leave no one behind."

Box 1: African Constituency Bureau Meeting Roadmap

A Country-led Roadmap

The African Constituency Bureau organized a meeting in Lomé on 22-23 June 2022 for representatives of Global Fund-supported Francophone countries to discuss the COE policy. Discussions with country stakeholders from West and Central African countries revealed not only a lack of awareness of the Policy but also confusion between the COE policy and Additional Safeguards Policy (ASP) measures, interpreting COE classification as resulting in restrictive measures aimed at mitigating the financial risk attached to poor governance and inappropriate management of funds.[1] The evaluation team facilitated a poll during the meeting, which revealed that while most participants could name the three principles of the policy (following orientation during the meeting), nearly half (43%) did not know if their country had received any flexibilities, and most did not know how the process worked. The meeting resulted in a roadmap with the following areas for follow up by a working group:

1. Streamline planning, implementation and reporting procedures;
2. Review of COE classification and exit processes and additional safeguards;
3. Operational flexibility (to access hard-to-reach areas);
4. Reduce financial and administrative procedures;
5. Seek funding for key areas (human resources, civil society platforms, TA);
6. Capacity strengthening of local actors towards country ownership.[2]

[35] A number of Global KII respondents indicated that High Impact countries (e.g., Nigeria) and acute emergency settings (e.g., Ukraine, COVID-19) are able to utilize flexibilities outside of the COE operational guidelines, resulting in the COE policy not being a driver in terms of performance for these cases.

[1] C. Boulanger (2022), "Taking the initiative: COE-defined countries take ownership of the Policy governing flexibilities and risk management measures," https://aidspan.org/en/c/article/6023
[2] Aidspan (2022), Summary of discussions and roadmap 2022-2023, Lomé Meeting (draft).

The policy and operational note fit well within the Global Fund's usual business processes. The COE designation, one of several ways the Global Fund differentiates countries for programmatic considerations, was appreciated within the GMD departments and by GMD managers who had several (or many) COEs within their portfolio. For other departments, the COE designation did not appear to be a large consideration, noting that the Global Fund already takes a country-by-country or case-by-case approach to most of its work and decisions, and it is possible to obtain flexibilities through non-COE channels, particularly for those portfolios designated as High Impact countries. Other channels for flexibility approval most frequently cited were during the grant making process, portfolio performance reviews, reprogramming, or special memos.

Other Global Fund departments (beyond GMD) are also attentive to COE issues. For example, SIID has responded in a number of ways to ensure that COE concerns are addressed. For the 2017–2019 funding cycle, Access to Funding (A2F) and the Technical Review Panel (TRP) included a specific "Tailored for COEs" format for Core COE country funding requests (FRs). However, a number of eligible country programs chose to use the full FR format instead.[36] In post-cycle review, the TRP and A2F found the differentiated format not particularly useful, and removed it for the 2020-2022 cycle, with COE designated countries submitting FRs using the standard formats and categories (continuation, full, core).[37] Specific guidance was provided to TRP members reviewing COE proposals in both cycles to encourage the reviewers to consider the given flexibilities (often associated with completeness of submissions or planned reporting), partnerships and innovations within these proposals. The TRP review criteria for COE and non-COE proposals are the same, but specific internal TRP guidance on reviewing COE funding requests includes discussion of how the criteria might be differentiated across the five aspects of TRP review (i.e., maximizing impact, resilient and sustainable systems for health, human rights and gender, efficiency and effectiveness, and sustainability and co-financing). The guidance encourages more flexibility in assessing the FRs and provides examples where FRs from COE settings may differ, e.g., under "sustainability and co-financing", the guidance notes that the country's economic setting may preclude full provision of co-financing and require flexibility from the Global Fund. The TRP also goes to some effort to ensure the reviewers of COE FRs include members with COE experience.

The disease and resilient and sustainable systems for health (RSSH) specialists of the Technical and Partnerships (TAP) team in SIID indicated that they are increasing the guidance provided for COEs in developing disease and RSSH FRs for the 2023–2025 funding cycle, with the intent of providing useful examples for programming in

[36] The Global Fund (2017), Audit Report: Global Fund Grant Management in High Risk Environments, GF-OIG-17-002, Geneva, Switzerland.
[37] One technical partner key informant expressed regret that the Tailored for COE format was removed, as considering whether to use the COE specific format had provided an opportunity for greater consideration of the context.

emergency and chronic instability settings. The evaluators' review of the 2017 and 2020 information notes, prior evaluations (e.g., TERG Thematic Review of RSSH), as well as informant interviews with partners and at country-level, indicated that additional technical guidance is needed to promote requests for flexibilities, better use of partnerships and service delivery innovations in COE programs. Informants also noted the lack of WHO and partner-approved technical guidance for these high-risk, COE settings.[38]

The Community, Rights and Gender (CRG) Team has already developed two specific notes for COE stakeholders covering human rights and gender,[39] and internally displaced persons and migrants. These documents highlight the importance of identifying and addressing the needs of key and vulnerable populations (KVPs), which can be exacerbated in times of conflict, disaster and instability. The guidance highlights that "In COEs as in other circumstances, the Global Fund sees human rights-based and gender-responsive programming and implementation not as an "add-on" but as an essential approach to all stages of programming and implementation." This guidance highlights who can be more vulnerable and potentially neglected in COEs, as well as the heightened risk of gender-based violence (GBV). The guidance recommends additional assessments and preparedness measures, providing concrete examples of how this has been addressed in different COE contexts. The guidance recommends taking advantage of the COE policy as "flexibility in programming and creativity in building partnerships opens the door to innovative strategies that empower marginalized and displaced people to play a meaningful role in planning and implementing health services for their communities."

In discussions with the SIID health finance team, inconsistencies were noted in the application of the Sustainability, Transition and Co-Financing (STC) policy during NFM 2–3 in terms of how individual CTs chose to apply COE flexibilities. This was observed particularly for co-financing among the COE portfolios, where relatively similar countries were treated differently, with some granted waivers, others exemptions, and others maintained co-financing commitments.[40] However, the recent increase in staff, skills and focus for the health financing team should mean that a more measured and consistent approach – although still country-by-country/program-by-program – will be taken to co-financing, including in the COEs, and that data will be available to more readily review co-financing outcomes in the COE countries. As noted earlier, members of the different teams within SIID also participate in the COE working group, supporting the GMD COE Team.

Additional guidance has also been developed by the COE Team, including the 2019 Information Note on Contingency Planning. This outlines the recommended approach to planning for potential risks or circumstances that may jeopardize Global Fund grant implementation or impact the health system. The guidance aims to support planning that will "ensure continuity of HIV, TB and Malaria services in an

[38] Multiple TRP, OIG and TERG reviews have noted the need for additional and better use of RSSH guidance (see the 2021 TRP Advisory Paper on Resilient and Sustainable Health Systems for a discussion of these).
[39] The Global Fund (2017), Human rights and gender programming in challenging operating environments (COEs): Guidance brief. The Global Fund: Geneva, Switzerland.
[40] While the example shared looked at similar COEs, generally, it is important to note that co-financing requirements also vary greatly across COEs. For example, some of the countries designated as COE have resources that should be going toward health services, e.g., Nigeria; some are non-CCM countries that are exempt from co-financing requirements; the Middle East Response (MER) is a multi-country program and also has no co-financing requirement.

adaptive and agile manner when material, external risk events occur." It is viewed as a "preemptive measure that engages various stakeholders, including humanitarian partners and coordination mechanisms," and aims to facilitate grant revisions and provide "foresight on needed operational flexibilities," working hand-in-hand with the COE policy. The plan is to be developed in a participatory manner and submitted by the PR to the CT for review, and endorsement by the Regional Manager.[41]

Box 2: Myanmar Case Study

Myanmar Case Study

Key country features

Myanmar is a High Impact country, which was classified as a COE in response to the February 2021 coup, which threw the country into turmoil, on top of the challenges and strain on the health system created by COVID-19. The CCM is no longer functional, with some of the role, such as endorsing the C19RM funding request, now supported by the Regional Steering Committee, which oversees the regional malaria grant. UNOPS and Save the Children continue as PRs, navigating a highly sensitive and volatile situation.

Notable COE policy use

The COE policy has been widely used in Myanmar with flexibilities applied to supporting management, processes, and administration to help grant implementation to continue activities in a complex and volatile context within the GF's rules and regulations. Flexibilities have been critical to respond to banking challenges (by approving use and fees of cash transfer agents), volatility in foreign exchange and inflation rates, delays in authorization for importation of health goods (by allowing local procurement of goods given sufficient quality), and incomplete and late reporting and forecasting data. Budget flexibilities, salary increases, longer reporting deadlines, adjusted targets, and reduced data verification requirements have all been used and appreciated by local implementers. The operationalization of the policy has been dynamic in terms of the exchange between country partners and with the CT, with requests processed quickly (sometimes more quickly than the paperwork, which can leave the PR operating with new guidance for months before grants are officially modified). CT and PRs have established bi-weekly meetings to address bottlenecks of implementation with approvals issued at the meetings. This was made possible by an agreed higher level of risk acceptance.

Observations and implications

With the significant attention on Myanmar and a pro-active and pragmatic CT, the CT has been able to approve the flexibilities following Global Fund acceptance of a higher acceptance of risk. This has allowed processes to move quickly and address the wide-ranging implications of the complex crisis – although many of the challenges are beyond the Global Fund's sphere of control, or even influence.

[41] The Global Fund (2019). Information Note on Contingency Planning for Challenging Operating Environments. Geneva, Switzerland.

Secretariat informants indicated that other processes did not specifically highlight COE status but used COE status in decision-making. For example, risk assessment tools (the Integrated Risk Management [IRM] module) are not modified for assessing COE programs, however, the COE designation is materially considered by the management committee in determining risk acceptance and mitigation measures. Similarly, the Key Performance Indicator (KPI) reporting does not include any COE specific indicators, but data is coded such that COE performance could be compared to that of non-COEs. However, the evaluation team found that currently, these comparisons seem to be undertaken ad hoc and to meet specific needs (e.g., request from partners), rather than used during routine decision-making.

Inconsistent policy use

Within the GMD, the CTs take the lead in country dialogue once funding has been allocated. One potential advantage of the COE designation was the Policy's call for sufficient staff to handle the greater needs of CTs covering COEs. However, further differentiation of the portfolio (Focus, Core and High Impact) occurred in the same time period, leaving Core countries, including COEs, with often fewer hands, rather than more. While regional managers with many COEs, such as the regional manager for Africa and the Middle East (AME), reported being able to advocate for and receive additional support, and it was acknowledged that some large Core country portfolios (i.e., over USD 100 million) have two program officers rather than the usual one. A number of internal informants reported that additional internal human resources for the COE countries have been insufficient to cover the range of needs. At the same time, these regional departments include other country programs that face high-risks and sometimes emergencies, although not designated as COEs, require additional attention as well.

Focus group and individual interviews with Global Fund Secretariat Fund Portfolio Managers (FPMs) provided strong evidence that particularly for Core and Focus portfolios, the burdens of grant management are high and not sufficiently allayed by the current operationalization of the COE policy. Respondents noted the greater amount of time and effort needed for managing grants within the COE context, particularly those in acute emergency or conflict settings. The challenge to stay on top of a dynamic situation while meeting commitments meant less time and "bandwidth" to focus on innovative solutions to service delivery problems and partner collaboration/ alignment. This is also borne out by the TERG's Strategic Review 2020 (SR2020) which found "a general perception that approval processes for flexible ways of working are time consuming and bureaucratic, to the point where staff were discouraged from seeking variations unless essential."[42] At the same time, these settings demand additional effort due to the lack of effective local institutions for everything from donor coordination to program implementation. While many were pleased to have been able to improve performance and gain impact, despite the setting, many noted that the individual costs to them – in terms of work, stress and time – were particularly high compared to colleagues working in settings with more robust institutions.

While the Policy and OPN seem well understood, CTs had mixed views of the usefulness of the COE policy given its current operationalization, particularly the reasonableness of the process to access flexibilities. The COE team has listened to

[42] Global Fund TERG (2021). Strategic Review 2020 (SR2020).

feedback on this and has made efforts to simplify and accelerate the process to request flexibilities. Some CTs recognize that submitting a short memo to provide a rationale for flexibility is not an unreasonable process, and that the time taken to develop this is a good investment in light of the flexibilities it can provide access to. Other CTs see the memo as a high enough obstacle to try to avoid going through the process, and will either seek flexibilities in other ways, or will go without. Core and particularly Focus CTs expressed appreciation for the COE Team's COE-related administrative processes and support.

There was also evidence that in some instances, countries perceived a stigma to the label and were not keen to have it applied.[43] Examples were given of countries that did not want to be designated as considered for COE despite meeting objective criteria, as they did not want conflict or issues in one part of their country to reframe the perception or treatment of the whole country. The implication was that they did not want their country to be in the same category as "failed states". There also remains resistance among some CTs to have countries in their portfolio designated as COE, as they see it as implying that they cannot manage their portfolio within standard rules and procedures. Examples of this were identified in the 2017 audit of grant implementation in West and Central Africa (WCA), which found that "Country Teams often do not take advantage of the flexibilities available to them. For instance, 20 grants in high-risk environments out of estimated 72 grants which qualified for a "simplified" grant-making process chose to adopt the "full" process." The 2019 OIG review identified the same issue, where only 40% of COE CTs opted for simplified grant making process. The OIG's review of WCA grant implementation also observed inconsistencies in processes across CTs. For example, "there is a significant degree of inconsistency in how country visits are conducted. Some countries enjoy regular and well-timed visits from the Global Fund, along with strong engagement from senior management, while others experience very little in-person engagement."[44] While this statement was not specifically made in reference to COE countries, the evaluation also observed these inconsistencies across case study countries.

Policy awareness and appreciation, yet multiple pathways to flexibility

This lack of consistency in CT approaches to requesting flexibilities is also borne out in how the COE policy has been used with implementing partners. This is partly a function of the design of the policy, which has the stated intention that requests for flexibilities be initiated at the discretion of the CT. This has resulted in inconsistent outreach by the CT to country level stakeholders. It was observed in all case study countries that the policy was not widely known or understood at the country-level (CCMs, PRs, SRs). This is particularly problematic when the CT does try to engage the country in seeking flexibilities, yet the country does not have a good grasp of what benefits the use of the policy might provide. In at least one case study, the country felt that the Secretariat transferred the onus onto the country-implementing partners to determine flexibilities needed and develop the documentation for justification, but without sufficient guidance.

However, it was challenging for the evaluation team to determine how the flexibilities in the COE policies have been used due to the lack of tracking in a single location the

[43] This seems partly a result of conflation of COE and the Additional Safeguards Policy, in which selection of PRs and the zero cash policy are often mentioned.
[44] The Global Fund (2019), Advisory Report: Grant implementation in Western and Central Africa (WCA). Overcoming barriers and enhancing performance in a challenging region, GF-OIG-19-013, The Global Fund: Geneva, Switzerland.

flexibilities granted across the grant cycle. For example, flexibilities can be identified during the grant making phase, or approved by the Portfolio Performance Committee (PPC) during country portfolio reviews, or by the EGMC in response to specific memoranda submitted by CTs.[45] The flexibilities tracker provided by the COE Team includes only 55 flexibilities approved by the EGMC since 2017 for the 29 COE designated countries.[46]

Unclear risk acceptance constrains policy use

The 2017 audit of grant management in high-risk environments found that, "While Country Teams are flexible in managing grants in high-risk countries, the absence of a defined risk appetite and minimum verifications required for grants in these environments have affected the ability of Country Teams to take measured risks. For instance, decisions on how much supporting documentation is required to distribute bed nets in conflict-affected areas often delay the implementation of such activities."[47] Many respondents indicated that risk aversion still prevents greater use of flexibilities and innovation – including separate levels of risk comfort or aversion by CTs, PRs, SRs, LFAs, and other implementing partners. Many respondents (CTs, PRs and other implementing partners) requested more examples of standard documentation for requesting flexibilities. Respondents also noted the need for more transparency regarding country-specific acceptable levels of risk to support better oversight and management by CCMs and PRs.

In 2018, the Global Fund operationalized a Risk Appetite Framework, setting recommended risk appetite levels for eight key risks affecting Global Fund grants, formed by aggregating 20 sub-risks.[48] Following the COVID-19 pandemic, the Board accepted to increase the risk appetite for certain risks during the 46th Board Meeting in November 2021. However, it is unclear to what extent this has been implemented in or benefited the Core and Focus COE portfolios. In 2019, the Global Fund OIG WCA noted "The historical absence of a defined risk appetite for both Challenging Operating Environments and countries with high financial risk has led to an imbalance between program implementation and additional safeguard measures. Clear strategies, responsibilities and timelines do not exist to strengthen capacity over time and to phase out what should be short term or exceptional risk mitigation measures. There is insufficient monitoring of the effectiveness of the risk mitigation measures deployed."[49] A number of respondents (internal and external) continue to see the lack of information around risk at the different levels of grant implementation resulting in unclear processes and constraining use of the policy. Country-level KIs expressed concern at the higher costs associated with some of the risk mitigation measures, e.g., use of UN or INGO PRs, at the expense of funding for service delivery.

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[45] Non-COE countries can also be granted flexibilities through an EGMC memo; further reducing the perceived benefits in the COE classification. While the COE policy is expected to make these requests easier for COE countries, many respondents found that it failed to do so sufficiently. However, the additional support provided by the COE Team, particularly for Core and Focus CTs, was considered to make a difference.
[46] The Flexibility Tracker includes transactions for only 10 of the 29 COE designated countries, with more than 80% of the total (45 of 55) flexibilities in the tracker among 5 of the CCS.

[47] The Global Fund (2017), Audit Report: Global Fund Grant Management in High Risk Environments, GF-OIG-17-002, Geneva, Switzerland.
[48] The Global Fund (2018): GF/B39/DP11 and GF/B39/07. In 2018, the Board approved risk appetite statements for eight grant facing risks and one external facing risk: foreign exchange.
[49] The Global Fund (2019), Advisory Report: Grant implementation in Western and Central Africa (WCA). Overcoming barriers and enhancing performance in a challenging region, GF-OIG-19-013, The Global Fund: Geneva, Switzerland.

With regard to risk mitigation at the country level, the 2017 audit also found that "[T]here are inadequate early warning mechanisms or indicators to identify and monitor risk levels of grants in these environments to allow for a timely response; this results in delays and a reactive approach in addressing risks. The audit found that some PRs in such environments have a set of indicators that enable the collection and assessment of emerging risks; however, it remains unclear how the Secretariat leverages this information for decision-making." [50] The 2017 audit further noted "High risk environments require proactive planning including engagement with partners to identify suitable options to implement grants during conflicts and other humanitarian emergencies… Despite [some] gains, the audit found that emergency preparedness had not been consistently incorporated in grant management in high-risk environments. As a result, Country Teams will often have to plan a response from scratch during emergencies."[51] This has been partly addressed by the expectation for contingency planning by PRs in all COEs and development and roll out of the Information Note on Contingency Planning for COEs (2019) by the COE Team.[52,53]

Comparative analysis with other organizations also found differences in the approach to acceptable risk. For example, the Gavi Alliance Fragility, Emergencies and Displaced Populations Policy directly acknowledges that "Gavi accepts a higher risk appetite for engagement in countries and settings covered by this policy. Appropriate risk assessment, implementation and oversight arrangements will be put in place to maximize programmatic outcomes and minimize financial and fiduciary risk. However, *Gavi accepts opportunities to mitigate risks may be less effective in such settings, with higher likelihood of risks materializing. This includes fiduciary risk, operational risk (e.g., security of personnel), and programmatic risk (e.g., value for money and sustainability)"* [emphasis added].[54]

Need for further differentiation under the policy

There are some areas where the COE designation directly supports differentiated decision-making. For example, the qualitative adjustment process for the 2020-2022 allocation period resulted in increased funding for COEs, taking into account the higher cost of doing business.[55] A similar consideration will be given in the upcoming 2023- 2025 cycle based on the often-higher costs of implementation in COEs.[56] While the policy does not specify these costs, interviews and case studies revealed that many logistics costs can be higher due to poor infrastructure, security measures, limited transport options, and the need to use airlifts and other costly modes of transportation. KIs also observed that there can also be higher management costs

[50] The Global Fund (2017), Audit Report: Global Fund Grant Management in High Risk Environments, GF-OIG-17-002, Geneva, Switzerland.
[51] The Global Fund (2017), Audit Report: Global Fund Grant Management in High Risk Environments, GF-OIG-17-002, Geneva, Switzerland.
[52] The Global Fund (2019). Information Note on Contingency Planning for Challenging Operating Environments.
[53] The guidance was developed based on contingency planning pilots, which took place during 2018 in Central African Republic and the Democratic Republic of Congo, based on recommendations from the 2017 OIG audit and lessons learned from managing previous emergencies.
[54] Gavi Alliance Fragility, Emergencies and Displaced Populations Policy, approved 23 June 2022.
[55] The qualitative adjustment process occurs after the Board-approved Allocation Methodology is applied to eligible country components. It aims to maximize the impact of Global Fund resources by accounting for needs in specific epidemiological contexts that are not fully captured in the allocation formula's technical parameters; and includes a single, holistic adjustment to account for all additional country-specific considerations, which includes COE context, among others.
[56] The Global Fund (2022), Qualitative Adjustment Factors for the 2023-2025 Allocation Period, GF/SC19/16, Strategy Committee Decision.

resulting from the use of UN and INGO PRs and SRs to ensure program and fiscal accountability, and to ensure that the right staff are in place at the country level to manage the grant to meet the Global Fund's requirements. This was also advised in the 2013 fragile states review which noted the additional costs faced due to "extensive country assessments, risk mitigation, technical assistance, surveys and verification of use of funds, quality of services provided and performance." The review recommended that additional funds be allocated to COEs to accommodate these higher costs.[57]

However, it is not clear that program costs in COE contexts are fully considered – including needed capacity building, access to mobile populations, or support for ensuring PSEAH safeguards are in place (including training stakeholders, developing appropriate mechanisms and oversight). A 2017 audit observed the lack of analysis and defined thresholds for the costs of doing business in high-risk environments. The accompanying analysis of grant expenditure in 2014 and 2015 indicated "five countries spent at least 57% (USD 42 million) of their grants on staff costs, overheads, planning and administration costs. With resources allocated to countries based on the disease burden, such high indirect costs affect the ability to fund programmatic activities."[58] Country-level respondents remain concerned at the high level of budget utilized for non-government PRs – to the detriment of funds available for programs, and one respondent noted that overheads and administrative costs are not allowed for government PRs but could support improved performance and oversight. The evaluation team understands that the financial management team uses benchmarks that are adapted to specific settings to ensure that costs are reasonable, but while UN and INGO PRs do represent lower risks, they also have higher costs for program implementation.

The 2019 OIG WCA Advisory Report also found the COE Policy was "not effectively operationalized" and noted that "standard GF policies and processes still drive how grant management is performed". The Report recommends a number of actions to simplify interventions in the region, including focusing on a few, defined objectives; implementing flexibilities in grant implementation; and further differentiating the approach to implementation of the ASP's "Zero/Restricted/Limited cash" policies where in force.[59] This was observed in some of this evaluation's case studies.

Box 3: Somalia Case Study

Somalia Case Study

Key country features

In addition to conflict, political crisis and humanitarian needs, Somalia is further complicated by having three administrative zones, all requiring recognition – with much managed from Nairobi. The country is classified as Core, with UNICEF and World Vision International as PRs, appointed as a result of the ASP. Multiple SRs are also present in order to cover the different administrative zones. There is a Global

[57] The Global Fund (2014), Thematic Review of the Global Fund in Fragile States, with Euro Health Group.
[58] The Global Fund (2017), Audit Report: Global Fund Grant Management in High Risk Environments, GF-OIG-17-002, Geneva, Switzerland.
[59] The Global Fund (2019), Advisory Report: Grant implementation in Western and Central Africa (WCA): Overcoming barriers and enhancing performance in a challenging region, GF-OIG-19-013, The Global Fund: Geneva, Switzerland

Fund Steering Committee, rather than a CCM, which includes representatives from the authorities, partners, and some civil society – although not all affected communities are represented.

Notable COE policy use

Seven flexibilities were requested in 2017, which were carried over into NFM3, most of which are administrative in nature (e.g., deadline extensions, limited audits), with increased budget flexibility and – most usefully – reprogramming allowed every two, rather than three years. This has been helpful in a rapidly changing context. These flexibilities were developed through consultation between the CT and PRs; however, more have not been requested due to the heavy and lengthy process. Implementers and partners also report being focused on having to constantly adapt to a changing context and tackling day-to-day challenges while meeting the GF grant administrative requirements to consider innovations. The policy has not been leveraged to take advantage of potential partnerships, as while coordination between partners presents opportunities, it remains a challenge.

Observations and implications

The COE policy is not well known at the country level and is often confused with ASP. Among the CT and PRs who have used the policy, the current system is viewed as too cumbersome to make applying for flexibilities appealing, although there are other ideas for what would be helpful. The stakeholders call for a COE policy that provides a more automatic differentiation for COEs to simplify processes.

COE policy contribution to the Global Fund's strategic and disease priorities

Most of the investment in COEs is through grant allocations, with the COE portfolio representing 28% of the Global fund's total investment.[60] The MER is an innovative example of the use of country allocations through a multi-country grant to address the needs of refugees and includes countries that are no longer eligible for Global Fund support.[61] In addition, COEs have benefitted from catalytic investments. With the exception of the MER countries, all the case study COEs are participating in at least two Strategic Initiatives (SIs), with Mali – a High Impact country – participating in ten.[62] The most common are the RSSH Data, Procurement and Supply Chain Management (PSM) Transformation, and the Sustainable Financing SIs, (five case study countries each), followed by the CRG and CCM Evolution SIs (four countries each).

It is difficult, however, to determine to what extent the COE policy contributed to achievements in different COEs. There are many ways that flexibilities, innovation and partnerships might come into play in any one portfolio, much of this is also not easily discerned given that it might happen at any step: in qualitative adjustment to the allocation formula, funding request development, selection of PRs or third-party

[60] This includes Global Fund pledges at the 2019 UNHCR Global Compact on Refugees Forum. These pledges have been operationalized and reflected in country allocations through the qualitative adjustments.
[61] The Middle East Response is an implementing mechanism for country allocations for Lebanon, Iraq, Jordan, Palestine, Syria and Yemen.
[62] See Annex 10 for a list of the SIs in which each COE case study country is participating.

mechanisms, during portfolio performance reviews, or through a memo. The team attempted to understand to what extent other channels might be used to seek flexibilities by comparing requests for revisions between COE and non-COE countries. According to information provided by the Operational Efficiency team,[63] COE and non-COE countries seem to have a similar rate of requesting revisions, with COEs constituting 27%, 24%, 24% of all revisions for the full years 2019 – 2021 which is slightly but not significantly lower than their representation in the overall portfolio. Requests per implementing partner per year are slightly higher for COE compared to non-COE countries (with the exception of 2020).[64] There is no clear pattern across High Impact, Core and Focused counties, which varies by year. While revisions have been rarely requested by Focused COE countries, there are only two in the COE portfolio.

Even with flexibilities that appear administrative in nature, it is not possible to know how the saved time was used to support the program. In addition, the context also greatly affects the achievability of outcomes. Thus, comparison across countries is difficult. Comparison across funding periods was complicated by the disruptions caused by COVID-19 in 2020-2022. However, the case studies have picked up examples of programs being more finely tuned to achieve impacts with COE policy support (please see case studies on Mali [Box 4] and South Sudan [Box 10] in particular). In addition, review of limited data indicates that the performance differences between COE and non-COE countries observed in earlier audits have closed (see section 2.3).

The evaluation found that health systems weaknesses underlie the high program risks and poor performance in many COEs, with a somewhat similar effect across diseases. Both globally and at the country level, key informants focused on systems-based and contextual issues, with many examples provided being disease-neutral. Some impacts and examples from different diseases were identified, however, and Annex 6 provides further details on the COE context and disaggregates country case study (CCS) findings for HIV, TB and malaria.

Objective 2: Policy Implementation

Objective 2: To assess implementation of the COE policy against the three principles governing Global Fund investments in COEs, i.e., flexibility, partnerships, and innovation.

Flexibility request and approval process

Many respondents indicated that even with the flexibilities made possible through the COE policy, Global Fund business processes are particularly cumbersome for COEs. The 2019 review found that funding request reviews took longer in (WCA) COEs than

[63] The data provided was taken from registered revisions requested by implementing partners in current COEs. If revisions were processed before the portfolio was flagged as COE, they are counted as COE revisions. Information was not provided on the nature of the revisions. Revisions related to C19RM were removed to try to see beyond the "COVID effect".

[64] Differences between the average number of requests between COE and non-COE implementing partners were not significant, with average requests per partner: 2019 – 1.86 vs. 1.65; 2020 – 1.63 vs. 1.69; 2021 – 1.31 vs. 1.24; and for the partial year of 2022 – 1.24 vs. 1.08.

in other countries (15.1 months compared to 7.7 months[65]). Respondents in the Niger case study perceived that reprogramming can take three to six months, compared to the President's Malaria Initiative (PMI), who could reprogram within weeks due to its "crisis modifiers".

There can also be some confusion around who is responsible for making the request. The policy implies that it is the CT's responsibility – in consultation with country-level stakeholders. The PCE implied it is the PR's responsibility, when it pointed to a PR's lack of experience to take advantage of flexibilities,[66] and others point to implementing partners. Yet there is evidence that all actors can find the process onerous. "IPs request the flexibilities for implementation, not the PR. The partners don't take full advantage of the COE policy; they are discouraged by the quantity of work to document the request. For instance, the risk of taking a flexible action needs to be mitigated making it a Catch-22 effect. Partners are afraid of being asked for more justifications, documentation, etc., making extra workload for them. The PR is afraid to ask for flexibility because the feedback from the GF will be a request for multiple documentations to build the case" (GF Secretariat interview). While there is an assumption that a memo is not an unreasonable request, an example provided by an informant for one case study illustrates what can be involved in practice. After drafting, a recent COE flexibility memo was reviewed and edited by 16 people (including the CT, Regional Team, others in GMD, the Risk Department, COE Team, and the Operational Efficiency Team). The original draft was circulated in mid-May 2022 and approval was received mid-July – 61 days later.

Flexibility

The flexibility allowed by the COE policy responds directly to the recommendation of the 2014 TERG Review,[67] and allows for an unspecified number and type of flexibilities, to ensure that grant administration and implementation is easier in COEs. Flexibilities are therefore widely available, but because of: (a) the reliance on individual CT discretion, and (b) the lack of specific guidance or recommendations in terms of what flexibilities may be appropriate to address certain contexts or challenges, the use of flexibilities has been inconsistent across COE countries. Interviews at the global and country levels revealed that the Secretariat tends to view the policy as being more flexible than partners or country-level stakeholders see it, with the exception of those partners or countries who have experienced flexibilities directly and feel that their CT is open to using the policy.

The COE Team's flexibility tracker registers 45 flexibilities granted through the EGMC process to the evaluation's case study countries.[68] However, the CCS bear out that additional flexibilities are provided through both COE and other mechanisms not recorded in the tracker. At the country level, respondents were often not able to distinguish which, if any flexibilities were granted under the COE policy due to lack of

[65] The Global Fund (2019), Advisory Report: Grant implementation in Western and Central Africa (WCA). Overcoming barriers and enhancing performance in a challenging region, GF-OIG-19-013, The Global Fund: Geneva, Switzerland.
[66] "… extreme political and economic upheaval severely impacted on the delivery of the malaria program, further exacerbated by not tapping into COE policy grant flexibilities, partly due to PR inexperience with the Global Fund business model." The Global Fund (2021), Prospective Country Evaluation Synthesis Report, 2020-21 Synthesis Report, The Global Fund: Geneva, Switzerland.
[67] The Global Fund (2014), Thematic Review of the Global Fund in Fragile States, with Euro Health Group.
[68] For CCS, this includes 16 flexibilities registered for South Sudan; 6 for CAR; 5 for Mali; 11 for MER; 7 for Somalia; and none for Niger or Myanmar.

information on the policy, or the source of flexibilities. The lack of consolidated tracking of flexibilities used to address constraints in COE settings made it difficult to assess overall policy use, and inhibits identifying and sharing good practices in flexibility use.[69] Correlating the importance of the COE policy flexibilities to grant outcomes and achievements was also difficult. Many of the flexibilities identified in the CCS were largely administrative, including timing of reprogramming, changes in payment modalities, CCM eligibility waivers, etc. that are difficult to link to specific program outcomes. Likely many of these did support improvements in levels of disbursement, and therefore, likely impacted program outcomes.

Innovation

"Innovations" were identified as an opportunity in the 2014 fragile states review, particularly in terms of utilizing results or performance-based financing mechanisms.[70] The COE policy does not provide a definition of innovations, other than noting "Innovations are also crucial to maximize results in COEs", and that "Areas of innovations may include, among others, partnership arrangements and service delivery mechanisms."[71] The 2017 OIG Audit Report on High Risk Environments identified examples of innovations, including development of the MER to streamline implementation arrangements in six Middle-Eastern countries;[72] use of mobile phone based systems for reporting data in areas with difficult access; and new partnership arrangements to prevent disruption in HIV services in conflict affected areas in Ukraine during the previous conflict.[73] However, many global partner and country key informants questioned how "innovation" is defined in the COE context. For the purposes of this evaluation, innovations were considered to be any approach, partnership or technology that marked a departure from Global Fund's standard business model to improve program outcomes.[74] The evaluation team also acknowledges that this includes some approaches that are innovative for the Global Fund but may be standard practice in humanitarian settings.

The two most common concerns reported by country stakeholders that reduced the ability to innovate in COEs are that: (a) people are "too busy to innovate", and (b) risk exposure capacity does not allow sufficient scope for innovation. Yet against these concerns, others see that: (a) innovation – or ongoing adaptation and iteration – is inevitable for achieving results in dynamic and restrictive environments but may not be considered as such by those on the ground, and (b) the Global Fund can show considerable flexibility to support different approaches to service delivery. Once

[69] The Evaluation Team recognizes the importance of decentralizing decision making to the extent possible for administrative flexibilities, and lauds efforts to move these decisions to department management and/or FPMs. However, capturing information on the range of flexibilities needed/approved for the COEs could prove valuable in considering ways to improve grant management and program outcomes for these settings.
[70] The Global Fund (2014), Thematic Review of the Global Fund in Fragile States, with Euro Health Group.
[71] The Global Fund (2016), Challenging Operating Environments Policy, The Global Fund: Geneva, Switzerland.
[72] Iraq, Jordan, Lebanon, Palestine, Syria and Yemen.
[73] The Global Fund (2017), Audit Report: Global Fund Grant Management in High Risk Environments, GF-OIG-17-002, Geneva, Switzerland.
[74] This is similar to the definition proposed in CEPA Economics (2022), TERG evaluation: Accelerating the Equitable Deployment and Access to Innovations – Draft Inception Report, The Global Fund to Fight AIDS, Tuberculosis and Malaria, 27 May 2022: "Innovation in the context of Global Fund-supported disease programmes refers to a product or approach that is considered new or improved and contributes (or has the potential to contribute) to better health outcomes as compared to the pre-existing situation in the country for HTM and/ or the health system."

again, while the policy allows for innovation, its realization varies by CT and country portfolio.

Despite these challenges, examples of innovations did emerge from the country case studies. More commonly – and perhaps intrinsic to teams working in COEs who are forced to rapidly adapt and iterate to a complex and dynamic context – were improvements to systems. This was evident in MER, for example, in Yemen, an online payment tracker and in-country movement of stocks split by region helped to address financial and PSM constraints. Other innovations related to warehousing and distribution also contributed to efficiency and no stock outs. Innovations were also seen in partnerships, such as in South Sudan, where Global Fund is the supporting a joint approach to integrated community case management (iCCM) in the Boma Health Initiative – a community-based approach delivering services through community workers. South Sudan also contracted the private sector on a results-based contract, which was both effective and cost efficient. The clearest example of an innovative partnership contributing to results is in Mali, which engaged six humanitarian organizations through providing multiple flexibilities, to ensure that goods and services reach otherwise inaccessible areas (see Box 4).

Box 4: Mali Case Study

Mali Case Study

Key country features

Mali is a High Impact COE under risk management measures due to ongoing political and security instability. Following mismanagement issues and the appointment of international PRs, PR-ship has now returned to national ownership, under three government and one civil society PRs, and performance is steady under the three diseases, but slower for RSSH grants due to ongoing structural constraints. Community-led responses, both by civil society and community-health workers are strong.

Notable COE policy use

In addition to some process-related flexibilities, Mali used the COE policy to create a partnership with six international humanitarian NGOs to deliver services in hard-to-reach conflict-affected areas, thereby expanding the reach of Global Fund-supported programs. MOUs give the NGOs more flexibility in terms of performance framework and reporting and verification requirements, which have made this arrangement possible. Alternative methodologies for mass distribution campaigns have also allowed commodities to reach remote areas. Despite generally weak coordination between partners in the country, a partnership with Gavi to support RSSH – including a shared Program Management Unit, joint work plan and unified system – is an excellent example of cooperation towards shared goals. Further details on how this was achieved are presented in the case study.

Observations and implications

The Mali CT has been pro-active in engaging with country-level partners to seek opportunities to overcome constraints and was often referred to by other interviewees the role model in terms of designing and using flexibilities. Furthermore, as a High Impact country, the CT has had the bandwidth to negotiate and support the additional work required, including negotiating and supporting partnerships with humanitarian organizations, which has been a learning experience for all concerned. Having an agreed higher risk appetite has made these innovations possible.

Partnership

An important role of the COE Team has been in expanding the Global Fund's participation in and understanding of global efforts to bring cohesion and coordination to the work of partners in fragile and conflict environments, particularly given the higher dependence on partners in COEs.[75] The COE Team has made good efforts to develop needed relationships to strengthen central and country-specific partnerships. The COE Team is participating in the OECD DAC Humanitarian-Development-Peace (HDP) Nexus efforts and is cascading understanding and lessons learned to Global Fund CTs. The COE Team has supported CTs in widening the scope of partners at the country level, including encouraging CT and PR participation in the health and other clusters that operate in humanitarian crises, and bringing humanitarian and bilateral actors into CCMs.[76] Table 2 summarizes some of these partnership relationships in the case study countries.

Table 2: Coordination with humanitarian partners in case study countries

Country	Humanitarians on CCM/GFSC	UN/INGO PR	Non-traditional SR/contractor	CCM/PR rep. in health cluster
CAR	No	INGO	No	Yes
Mali	No	No (MOH, LNGO)	Yes	No
Niger	No	CRS	No	Yes
Somalia	No	UNICEF, WVI	No	Yes
South Sudan	Yes	UNDP, UNICEF	Yes	No
MER	Yes	IOM	Yes	Yes
Myanmar	No	UNOPS, Save	Yes	No

[75] The 2019 WCA review affirmed that key partners such as UNAIDS, UNDP, UNICEF and PMI highlighted that, in COEs, country presence is more critical to implementation success than in less fragile states. Global Fund (2019), Advisory Report: Grant implementation in Western and Central Africa (WCA). Overcoming barriers and enhancing performance in a challenging region, GF-OIG-19-013, The Global Fund: Geneva, Switzerland.

[76] The Global Fund (2016) COE Policy notes "Clusters consist of humanitarian organizations, both UN and non - UN, in each of the main sectors of humanitarian action, e.g., water, health and logistics. They are designated by the Inter-Agency Standing Committee (IASC) and have clear responsibilities for coordination in non-refugee humanitarian emergencies. Protection and assistance to refugees is coordinated and delivered through the Refugee Coordination Model."

The COE Team is working to support CTs and respond to the 2017 audit finding that "the Secretariat has no formal guidance, nor a set of tools to facilitate Country Teams engagement and leverage of in-country partners in managing related portfolio issues in high risk environments." [77] The COE Team plans to launch training on HDP Nexus approaches to partnership building in 2022 for the GMD, particularly COE CTs. The COE Team's global participation is also important given geographic barriers to alignment. The 2019 OIG WCA review highlighted that most partners have geographic regions, strategies and responsibilities, while the Global Fund does not, making partnerships at the regional level – often an important level for other organizations – more challenging, with a "natural misalignment" in collaboration and coordination with key partners, resulting in missed opportunities.[78] MER provides an example of where partners are largely geographically aligned, and coordination with the WHO Regional Office for the Eastern Mediterranean (EMRO) and other UN organizations is particularly harmonized and effective. Geographic non-alignment also impacts efforts to address populations on the move.

There are other efforts across the Secretariat to support COE-appropriate partnerships, including the CCM Evolution SI, which included COEs in the initial pilots to determine specific differences in these contexts. While no clear COE/non-COE distinction was discernible due to the specificity of all contexts, it is working closely with the COE Team to develop best practices for COE CCMs, including participation in the Global Health Cluster and humanitarian representation in CCMs (e.g., UNHCR). Efforts are being made to ensure that the CCM is not a stand-alone group focused only on Global Fund investments but serves to support partner alignment across broader health issues in these contexts.

Different timeframes and procurement and financial practices emerged as barriers to partnership in both the literature and some of the case studies. For example, Global Fund plans on a three-year cycle; PEPFAR and PMI on a yearly basis; while others, such as the African Development Bank and World Bank often develop projects for four or more years. Longer-term plans, with partner and country agreement, are needed. Coordination under the Boma Initiative in South Sudan, and activities aligned with Gavi in Mali show that these efforts can pay off. Furthermore, efforts to combine partner financing – multi-donor funds, other pooled financing or blended finance – could be particularly useful in highly insecure COE settings where some partners may have greater presence on the ground, but alignment of financing and accountability rules need to be addressed. The Global Fund's Health Care Financing Team could work with the COE Team as it prioritizes opportunities for joint financing. Examples of already aligned approaches include the Global Fund's contributes to the Health Pooled Fund in South Sudan with DFID, Canada, Sweden and USAID, contributing to efficiencies. Global Fund HIV and TB activities are also being implemented in collaboration with a PEPAR grant, with the Global Fund's HIV program fully integrated into PEPFAR's grant implementation. South Sudan is seeing a growth in multi-sectoral partnerships among public, private and community-partners to seek innovation in service delivery (although coordination challenges remain).

[77] The Global Fund (2017), Audit Report: Global Fund Grant Management in High Risk Environments, GF-OIG-17-002, Geneva, Switzerland.
[78] The Global Fund (2019), Advisory Report: Grant implementation in Western and Central Africa (WCA). Overcoming barriers and enhancing performance in a challenging region, GF-OIG-19-013, The Global Fund: Geneva, Switzerland.

The 2019 advisory report also found that "INGOs and UN Agencies can fill significant gaps and have a strong track record in targeted service delivery roles for key populations and community activities and managing supply chain and long-lasting insecticide-treated net (LLIN) campaigns. When INGOs or UN agencies are used as 'pass-through' PRs for financial management purposes, the grant ratings for INGOs are generally in line with those achieved by Ministry of Health (MOH) PRs. However, for the same level of performance, INGOs are typically more costly, with much higher management costs than government PRs."[79] Another example of where the Global Fund is doing this well is in Mali, where the partnership with the WHO focal point at district level helps to triangulate information on health products and patients. There is also a partnership with UNFPA, which funds implementation of two one-stop centers for GBV survivors; partially a result of the HDP Nexus promoted by the COE Team.

The MER structure, with the formation of the Technical Support Group (TSG), is also a good example of an effective partnership with traditional and non-traditional partners. It was created with humanitarian organizations familiar with the context that coordinates and fosters partnerships; endorse applications; undertake program reviews; and develop technical missions, guidelines and strategies and organization specific grant activities. The TSG enabled partnerships with WFP, the United Nations Humanitarian Response Depot (UNHRD)[80] and the Logistics Cluster that led to shorter pipelines and better availability of disease program commodities in each of the MER settings. A regional task force supports strategic information, with the International Organization for Migration (IOM) playing a bridging role between technical partners. Global Fund, through the MER, also contributes to a multi-donor account, the Joint Health Fund for Refugees, to address refugee populations and trans-border issues in the region.

2.2. Objective 3: Efficiency and Effectiveness

Objective 3: To assess the effectiveness and efficiency of grant implementation in the COE portfolio and to articulate initiatives in reprogramming; evaluate program performance in COE portfolio and risk assessment for Global Fund investments in COE context.

Efficiency and effectiveness of grant implementation in COE portfolio

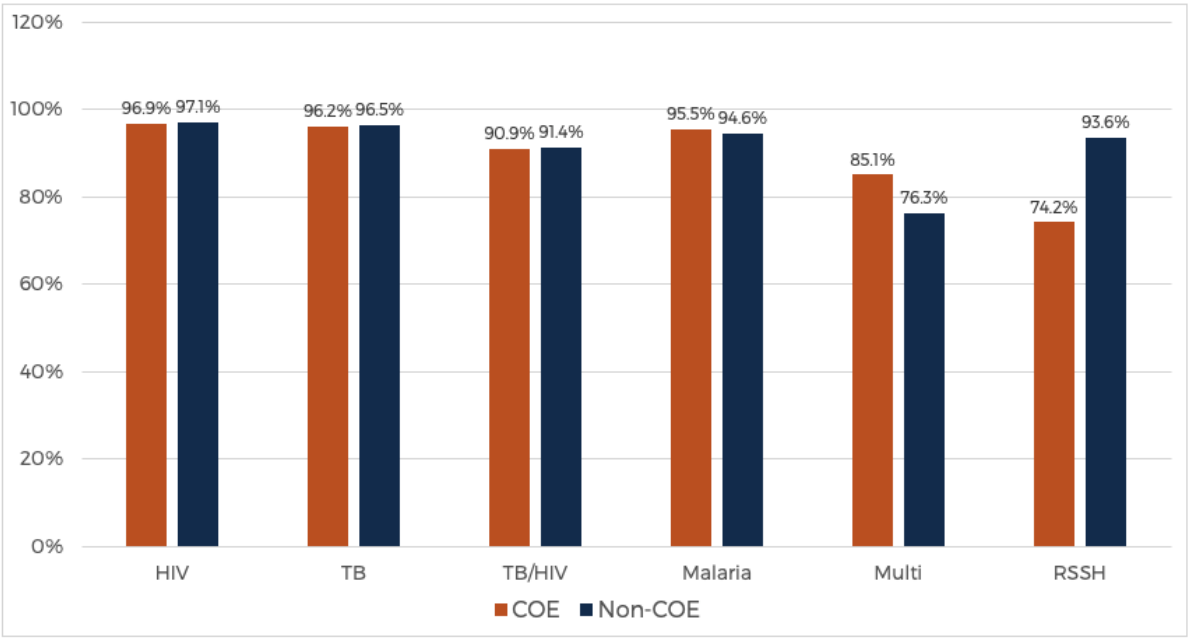
In short, the data shows that the performance gap in terms of grant disbursement (Figure 2) and target achievement across the three diseases (Figure 3) has significantly closed between COE and non-COE countries in recent years. This is an impressive achievement, and reflects the additional effort and attention given to COEs in response to the current strategy's output indicator 2.1: Enhanced focus on delivering impact in challenging operating environments through Global Fund grant management. Funding utilization does not vary significantly between COE and non-COE countries, at 91% and 92% respectively, as of mid-2021 for the new replenishment.[81] In fact, according to the Global Fund Data Explorer, as of the June

[79] The Global Fund (2019), Advisory Report: Grant implementation in Western and Central Africa (WCA). Overcoming barriers and enhancing performance in a challenging region, GF-OIG-19-013, The Global Fund: Geneva, Switzerland.
[80] UNHRD is a global network of hubs that procures, stores and rapidly transports emergency supplies for the humanitarian community and is managed by the World Food Programme (WFP).
[81] The Global Fund (2021), Strategic Performance Report mid-2021, 46th Board Meeting, GF/B46/15, 8-10 November 2021.

2022 disbursement, the disbursement rate is the same for COEs (95%), compared to non-COEs. (95.6%). While the compared results by disease do not vary considerably, disbursement varies by disease component, with COEs performing slightly better in malaria and multi-component grants, but significantly behind in RSSH grants. What is harder to discern, however, is to what extent the use of the COE policy has contributed to these improvements in terms of how flexibilities have been used to improve performance. Only in countries where flexibilities that made some activities possible through alternative methodologies or partnerships (e.g., LLIN distribution in Mali and South Sudan) can a clear link to results be seen. In other cases, the link can be indirect, such as adapted PSM approaches in MER.

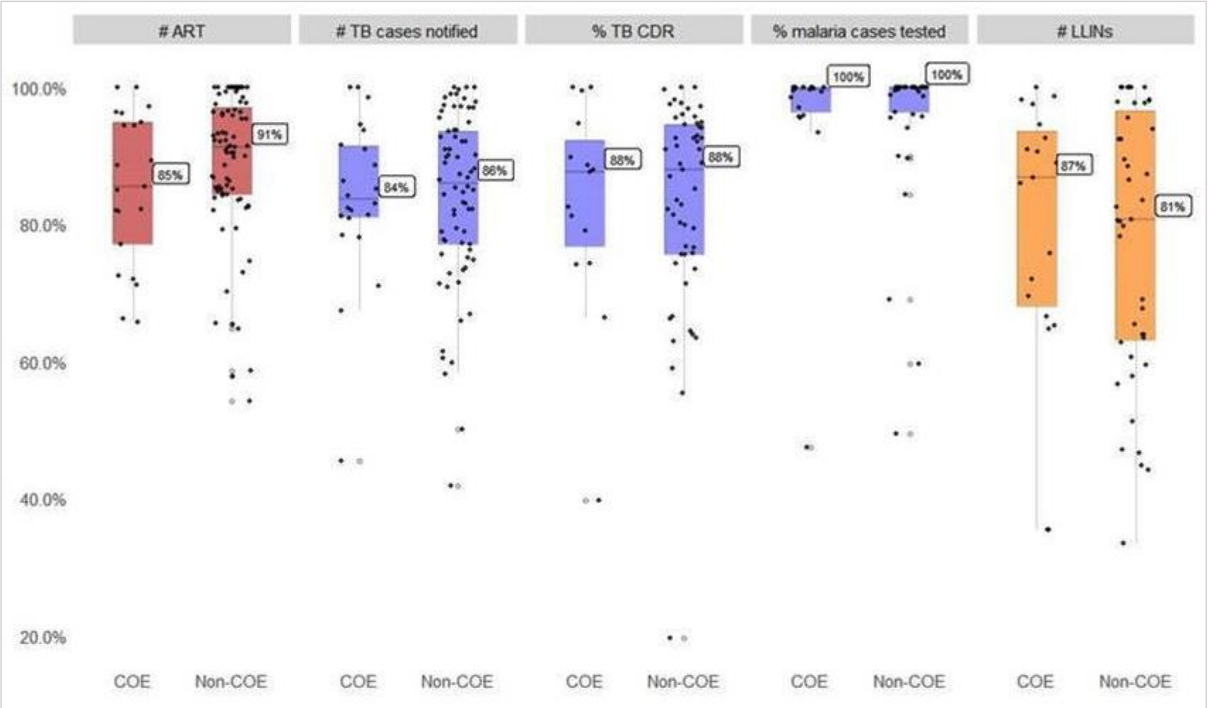
Compared to the findings of the 2014 fragile states review whereby average grant performance in countries classified as Very High, High Alert, and Alert countries was "consistently poorer", overall performance in COEs appears to have improved. It should also be noted that the Secretariat does not seem to produce nor use much "COE vs. non-COE data," but available data do show some discrepancies. For example, the median achievement of PLHIV who know their status for 2020 was 70% for COEs (among 33 cohort countries) compared to 83% for all countries. Median achievements for all Global Fund portfolios for adults and children with HIV known to be on treatment 12 months after initiation on ART was 93% in 2020, but only 80% in COEs.[82]

Figure 2: Disbursements by COE vs. non-COE countries, June 2022[83]



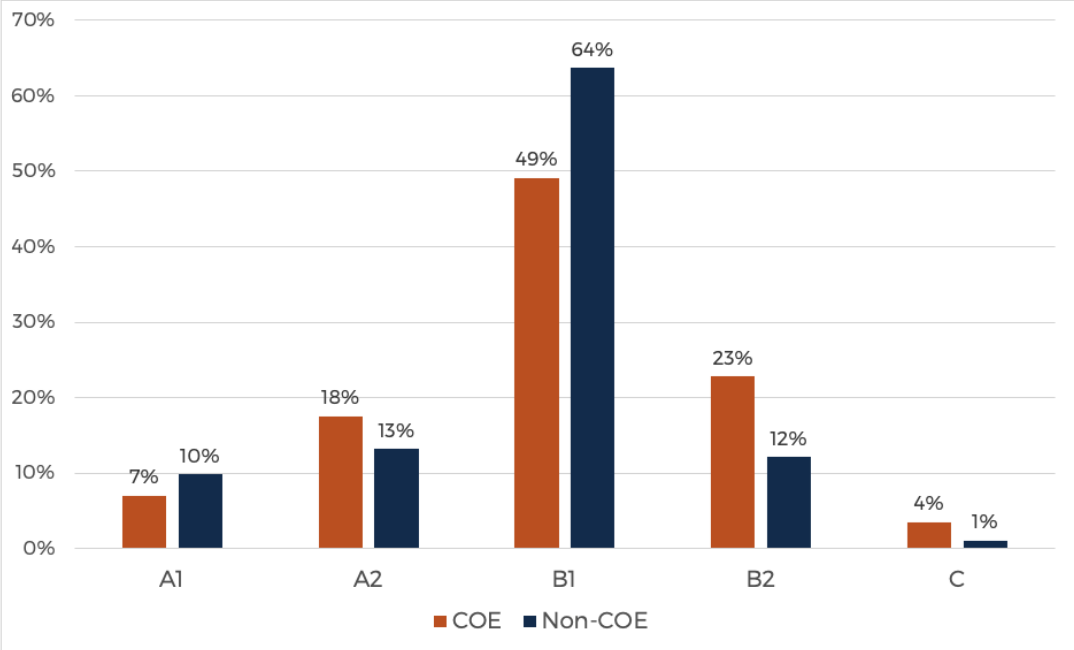
[82] The Global Fund (2021), Strategic Performance Report mid-2021, 46th Board Meeting, GF/B46/15, 8-10 November 2021.
[83] Extract provided by the COE Team from the Global Fund Data Explorer, 1 July 2022.

Figure 3: Comparison of results of specific indicators for COE vs. non-COE countries (2021)



Differences in grant performance ratings can be observed between COE and non-COE countries, with non-COE countries having a higher proportion of A1-rated grants, and COE countries with a higher proportion of C-rated grants. However, overall, nearly three-quarters of rated COE country grants rate at B1 or higher (see Figure 4).

Figure 4: Grant performance ratings by COE vs. non-COE, June 2022[84]



Administrative and process vs. implementation flexibilities

The evaluation found that most of the flexibilities approved tend to be more process-based, or of an administrative nature – intended to reduce reporting or documentation burdens, for example – rather than to support implementation itself.[85] This reflects the findings of the SR2020 review, which found that "progress has been greater in enabling administrative flexibility in the face of operational challenges than promoting programmatic innovation."[86] A general sentiment from many of the case study countries is that the flexibilities benefit the Secretariat more than the in-country implementers. The Secretariat's sentiment is that the countries are not creative enough in proposing flexibilities to overcome implementation bottlenecks. This appears to be again linked to the lack of examples of flexibilities and their use, resulting in an uncertainty in terms of what can be requested – and a lack of time or a consultative process – to think through possible flexibilities other than addressing the most pressing pain points.

While specific flexibilities are presented in the case study boxes throughout this report, examples of common administrative flexibilities requested include extensions for PUDRs, audits and other reports (MER, Somalia, South Sudan), alternative verification or reporting arrangements (Mali, South Sudan), single source contracting (South Sudan), flexibilities in program scope/targets (Mali, South Sudan), increased budget flexibilities (Somalia), different reprogramming period (Somalia), simplified audits for SRs (Somalia), co-financing (South Sudan), and CCM exemption (MER).

[84] The Global Fund Data Explorer. Rating data was available for 57 COE grants, and 91 non-COE grants.
[85] This is not necessarily reflected in the COE team's flexibilities tracker, which classifies 19 of the 55 approved flexibilities as process (35%), and 36 as operational (65%). However, the evaluation team notes that many of the flexibilities classified as operational are more related to administration than implementation. It was explained, however, that the classification of "operational" was assigned where it carries higher risk implications, rather than being descriptive of the nature of the flexibility.
[86] Global Fund TERG (2021). Strategic Review 2020 (SR 2020).

Examples of activities to support implementation include contracting with humanitarian organizations (Mali, South Sudan), direct contracting (Somalia), payment of MOH salaries or top ups in USD or salary support for national harmonization (CAR, Niger, South Sudan), flexibility in LLIN distribution methodology (Mali, Niger, South Sudan), and alternative PSM processes (Mali, MER, South Sudan). Limited liability clauses also support implementation in some contexts (CAR, Somalia, South Sudan). Some countries and partners expressed the need for additional flexibilities to support grant implementation on the ground, but the examples provided – such as limited liability, flexible contracting mechanisms, alternative distribution methodologies – have been approved in other contexts, demonstrating that they are possible, but not widely known. The Secretariat noted that these types of flexibilities are not "advertised", to prevent countries from requesting flexibilities that they do not necessarily need. Some of these flexibilities come with higher risks, with concern that they will not be approved, and some CTs expressed an unwillingness to spend the time on the process for an unknown result. The PRs may also be unwilling to push for changes or innovations that may increase their own exposure to fiducial or programmatic risks, without assurance of additional risk sharing through limited liability clauses or other mechanisms.

However, even simplifications that do not require flexibilities often may not be optimized. The SR2020 sample analysis "found performance frameworks in Focused Countries had on average twice as many [indicators] as the amount proposed in the Global Fund's policy; and found that performance frameworks in Challenging Operating Environments (COEs) contained as many (if not more) than in non-COE countries."[87]

The COE policy and the Additional Safeguards Policy (ASP)

A consistent theme in the case studies and among some partners was the conflation between the COE policy and the Additional Safeguards Policy (ASP). There is significant overlap between COE and ASP countries, with around two thirds of COE countries being under ASP, and vice versa (see Annex 4). All case study countries were under ASP in the evaluation time period, so a comparison with non-ASP countries was not possible. The purpose of these two policies is clear from the Secretariat's perspective – with the COE policy aiming to facilitate flexibilities to support grant results, and the ASP being a risk mitigation measure – but this distinction is not understood at the country level. Often the two were confused, and policies that are seen as restrictive were assumed to come from the COE, which affected the perception of the COE policy. This led to confounding KII and CSS results.

Most commonly, the ASP's restricted (or "zero") cash policy was raised as a constraint to implementation in the case study countries.[88] This follows findings from previous OIG reports that these policies make implementation in WCA COEs more difficult.[89] Yet the financial constraints resulting from ASP have not been resolved, and there seems to be no differentiation of ASP implementation between COE and non-COE countries in

[87] Global Fund TERG (2021). Strategic Review 2020 (SR 2020).
[88] As presented in the current Operational Policy Manual, which includes the ASP approved in 2019.
[89] The Global Fund (2019), Advisory Report: Grant implementation in Western and Central Africa (WCA) Overcoming barriers and enhancing performance in a challenging region, GF-OIG-19-013, The Global Fund: Geneva, Switzerland.

ways that might better support program implementation in COE settings.[90] Other ASP measures, such as the selection of PR by the Global Fund Secretariat, was also seen in most of the case study countries; although two – Niger[91] and Mali – have now shifted back to government PRs for at least one grant.[92] While the Secretariat can see selection of the PR as an advantage of the ASP, it is not always welcome by the country. This conflation of the policies was observed to have resulted in the COE policy being incorrectly perceived as reducing flexibility and country ownership. Even where the two policies are understood, they are sometimes seen to be in conflict with each other. There is currently no process or framework in place that ensures the CT and country stakeholders decide how each policy will be applied in the event of contradictions, or how the policies can be most effectively used together to address the challenges and risks in the context to ensure the best results.

Box 5: Central African Republic (CAR) Case Study

Central African Republic (CAR) Case Study

Key country features

CAR is a Core country, characterized by high humanitarian needs, insecurity, and population displacement. Capacity – both in terms of human resources and infrastructure – is limited in the country. The country's HIV/TB, malaria and C19RM Global Fund grants all have international NGO PRs.

Notable COE policy use

As a result of pro-active communication, the COE policy is quite well known at the country level, particularly by UN agencies, but less so by the government. Despite awareness, the policy is not seen as influential on grant implementation – in contrast to the zero cash policy, which is recognized as a constraint. The country is developing a flexibility request to ease restrictions imposed by the zero cash policy. The policy has also been used to secure limited liability clauses for implementing partners, performance-based payments for MOH staff, co-financing waiver, program data verification waiver, and the selection and direct appointment of SRs and service providers. Together, these flexibilities have facilitated service delivery in insecure areas, although this has supported management and administration, rather than programming. The procedure is also seen as slow and burdensome, requiring multiple consultations and reviews with approvals taking up to two months.

[90] The Global Fund (2019), Advisory Report: Grant implementation in Western and Central Africa (WCA) Overcoming barriers and enhancing performance in a challenging region, GF-OIG-19-013, The Global Fund: Geneva, Switzerland.
[91] Niger – TB grant under NFM 2 and 3; HIV in NFM 3. The HIV PR for several cycles before NFM 3, the National AIDS Commission, was also a government entity.
[92] While nearly three-quarters of COEs are under ASP, according to a review of financial data, the value of grants under government PRship increased from 34% to 37% between NFM2 and NFM3. Multilateral PRship value increased from 18% to 21%, PRship value for INGOs decreased from 34% to 28%, and 13% to 11% for local NGOs.

Observations and implications

Despite use of the COE policy, implementers see the flexibilities approved as supporting grant management procedures, rather than designed to enhance public health impact. In short, they do not go far enough to address the challenges that the operating environment poses. The dependence on donors and lack of coordination among them results in inefficiencies, and the government is eager to resume ownership over investments in the country through capacity strengthening.

Addressing regional challenges

An increasing number of conflicts and crises are regional and/or transboundary in nature, or have spillover effects between countries, particularly where instability and conflict are the cause. Addressing these can be challenging given the Global Fund's country-focused approach. However, interesting solutions have been developed, and continue to emerge. For example, the COE policy allows funds allocated to a country to be moved to another country if the population originally intended for the services become refugees in another country. This has been the case in Global Fund's efforts to leverage existing country grants to respond to population mobility following a crisis such as in CAR, where disease program funds followed populations across borders. It has also included emergency responses, such as the malaria funding to cover Venezuelan refugees after the crisis in that country put its non-eligible neighbors at risk of malaria resurgence. A number of KII noted the importance of ensuring that neighboring countries have sufficient resources to address MDR-TB in the influx of refugees from Ukraine in the current war.

Multicounty grants are able to pool resources and even bring additional resources (via strategic initiatives) to solve a problem. The MER case study (see Box 6) placed management and governance of the six country allocations within a common structure – gaining efficiencies in program implementation, but also offering new opportunities for learning lessons and jointly solving common problems. The MER was particularly useful in responding to the needs of populations moving between eligible and non-eligible countries.

Box 6: MER Case Study

MER Case Study

Key grant features

The MER is an innovative response to address the need for HIV, TB, and malaria services amidst ongoing regional conflict, humanitarian need, and population displacement in countries that are eligible for Global Fund support (Yemen and Syria), as well as those that are not (Jordan and Lebanon), but whose health systems are overwhelmed by the refugee influx that they risked undoing the gains achieved by previous Global Fund investments. The multicountry grant has one governance framework and management platform – the Technical Support Group (TSG), which is not a CCM. All countries are under ASP, and IOM is the PR.

Notable COE policy use

Eleven flexibilities have been requested and approved using the policy, which were perceived by country-level stakeholders as intended to make administrative compliance easier at the Secretariat level. Partnerships and innovations have evolved to respond to the situation, which were facilitated by the PR, rather than enabled by the policy. This resulted in innovative, multi-country solutions to PSM, including pooling consignments, regional warehousing, coordination with the logistics clusters. Impressively, these arrangements have resulted in **zero stockouts** in the MER countries. In the absence of a CCM, the TSG has evolved and is co-led by WHO and UNAIDS with (occasional) participation of UNDP, UNHCR, UNICEF, MSF, and the Global Fund CT, which has provided some oversight, although this is not its official role.

Observations and implications

While this arrangement has been effective, there has been minimal national involvement – including of communities, civil society, and the private sector. Due to the context, set up, and lack of data, there is limited support for KVPs, despite needs, stigma, discrimination, and criminalization known to be high. Exploitation and transactional sex are common in camp settings with little protection for the vulnerable, yet no provisions are made to address these risks.

RSSH in COEs

Funding for RSSH activities is included in all case study countries. However, these activities are often de-prioritized in the face of more immediate needs. The PCE report found, for example, "In all countries, the final agreed level of RSSH investment was below what was recommended by the Secretariat (which varied from 5% to 11% of total grant value across countries) and the vast majority of the agreed NFM2 RSSH investments were designed to support rather than strengthen the health system."[93] Yet there may also be reluctance to support more RSSH activities as these grants can be harder to implement in COE contexts and, as seen in Figure 2 above, are slower to disburse. Under-investment in RSSH, however, has significant implications for sustainability. While the COE policy makes no mention of sustainability, it does indicate that "Capacity building measures would be supported to enable a transition to national [implementing] mechanisms, where feasible" – both in terms of PR-ship, and national procurement systems.[94] Strengthening activities – beginning with program governance and management – will be needed to make this a reality.

[93] The Global Fund (2021), Prospective Country Evaluation Synthesis Report, 2020-21 Synthesis Report, The Global Fund: Geneva, Switzerland.
[94] The COE Policy, sections and 13(c) and (e).

Box 7: RSSH in COEs

Resilient and Sustainable Health Systems in COEs

From a general review of COE countries, corroborated by the findings from the country case studies, the most **critical factors impeding health service delivery are human resources (HRH) and supply chain management (PSM).**

With regards to HRH, countries are facing:

- **Limited availability of health staff**: case study countries have less than half of the health staff of the regional average, and less than 20% of the global average for doctors, nurses, midwives, and other health workers;[1]
- **Health staff have moved away as IDPs, migrants, or refugees,** or are further reduced potentially due to death or injury as a result of violence or during the pandemic;
- **Insufficient HR supply** to replace missing staff;
- **Low quality of health staff** due to lack of pre-service and in-service capacity development programs; and
- **Inadequate distribution** of health staff, with many being urban based.

Several countries have **expanded their community health worker (CHW) programs** as a more stable resource. However, most **CHW schemes are donor-funded,** raising **sustainability issues**, especially given the limited resources in COEs.

With regards to PSM, countries are facing:

- **Limited commodity manufacturing, procurement, storage, and distribution capacities in-country**;
- Extended **bureaucratic importation and other regulatory requirements** (customs, quality control of incoming goods), especially in conflict COEs; and
- **Longer supply lines**, **higher pricing** of commodities, and supply chain costs in COEs.

The MER showed **expanded partnerships with agencies in the humanitarian logistics cluster** to move goods. Even with the long supply lines, innovative logistics management practices ensured there were no stock outs in any of the MER countries. In Western Africa, humanitarian food supply systems were used to store and distribute medical supplies.

Besides HRH and PSM, other RSSH elements such as **HMIS** (not least due to lack of electricity and internet), governance (fragmented and sometimes in conflict), and community systems (limited funding and capacities, limited supervision) were **deprioritized in the interest of short term (disease program) needs**. RSSH investment was also fragmented (in-country and across the disease grants) and not well-coordinated among donors (including with government) in most CCS settings. However, there are some

good examples of cooperation, such as the community health systems partnership between the Global Fund and Gavi in Mali. The three-year **project cycle is not sufficient** to achieve adequate alignment with national strategies and other donors, nor to accomplish capacity strengthening in these settings, particularly given the lack of local capacity strengthening resources in these countries.

While COE flexibilities have provided some financial and administrative support to ease grant oversight and management, **additional programmatic flexibilities are necessary** to address HRH, PSM, and other RSSH aspects of the GF investments. These include, among others, direct or **additional funding of/for government health staff** (as was provided in Niger and South Sudan)**, community health workers,** and **procurement agents** in coordination with other partners. Furthermore, additional **investments are required in local pre-service and in-service training capacities** (i.e., schools). With regards to PSM, additional flexibilities and risk tolerance are needed for **acceptance of the loss of supplies** (limited liability/accountability for PR and other agents), **coordination on supply procurement and routing** (to and within the country) and addressing the **higher costs of 'doing business'** in general.

[1] Findings compared with data from 2019 from the global study on HRH for UHC: https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(22)00532-3/fulltext

Many global partners and country case study KIs noted the absence of a robust capacity-strengthening element in COE grant portfolios. However, it is also acknowledged that these long-term efforts can be difficult to prioritize during acute emergencies, and within unstable settings. The focus tends to be on implementation of service delivery and managing day-to-day issues, rather than investing effort into longer-term health system strengthening and building local grant implementation capacities. However, it was raised by several key informants across the board that the lack of investment or vision for capacity strengthening can undermine country ownership, or the government's motivation to participate – particularly if the country is already under ASP, with less decision-making ability.

Sustainability is also related to key aspects of RSSH – particularly in terms of Human Resources for Health (HRH) and PSM. Many partners and countries have noted the need to allow for more flexibility in terms of grant funds for HRH in COEs – particularly in the cases of high inflation and displacement – in order to maintain the national health system. However, fulfilling this need can also raise further challenges for sustainability. South Sudan illustrates this tradeoff facing many COEs, where flexibilities have allowed salaries for national MOH staff to be covered, thereby helping to incentivize health staff to continue working. However, as this should be the government's responsibility, it can create dependence – yet without these payments,

grant implementation would not be possible.[95] Country specific solutions to HRH needs and different approaches to granting flexibilities indicate that such issues are not managed consistently across the COE portfolio.[96]

2.3. Objective 4: Impact of COVID-19

Objective 4: To assess the impact of the COVID-19 pandemic in the case study countries and COE policy implementation including program adaptability of the three diseases to COVID-19 for lessons learned to inform pandemic preparedness and response in COE contexts.

Impact of COVID-19

In its March 2022 Strategy for Fragile and Conflict-Affected States (FCS), the International Monetary Fund notes that the impact of the COVID-19 pandemic on these states that are "home to nearly 1 billion people facing a variety of protracted challenges: from reduced institutional capacity and limited public service delivery, to forced displacement and war. Fragility and conflict are also exacerbated by climate change, food insecurity, gender inequalities, and more recently by the economic repercussions of COVID-19. The pandemic has disproportionately affected FCS in terms of the impact on per capita incomes, inflation, and public debt. Today, FCS are at a significant risk of falling behind in their post-pandemic recovery, but also in achieving the Sustainable Development Goals."[97]

The impact of COVID-19 – and of the response measures such as lockdowns and travel restrictions – varied considerably across the COE case study countries. In Mali, Niger, and South Sudan, the pandemic itself did not appear to result in a significant health crisis – although at least in Mali, this may have been disguised by low testing rates. However, even in these countries, secondary effects – including as a result of mitigation measures – created other challenges. A national KP network in Mali, for example, reported many cases of violence against KPs, PLHIV kicked out of their homes, and police violence against sex workers and MSM. USAID's help line also received many distress calls. GBV was reported to have increased in Somalia.[98] In other contexts, the COVID-19 crisis exacerbated situations of conflict, and vulnerability to food and economic insecurity – for example in South Sudan and Yemen. The dramatic fall in remittances to Yemen – the largest source of foreign currency – cut off a lifeline for many families where 80 percent of people live below the poverty line, and where many workers have not received a formal salary since 2016.

The sudden burden on the health system saw some collapse, or an increase in catastrophic out-of-pocket health expenditure and foregone health care, including

[95] This may be contrasted to Somalia, where salary incentives were withdrawn in NFM (prior to the scope of this evaluation), resulting in a reduction of government health officials from the public sector, which had a direct impact on grant implementation. Rather than the government filling the gap, NGOs attempted to step in with their own resources.

[96] The Myanmar case study raised a nuance around salary flexibilities: while there is some overall budget item flexibility for salaries overall, however changes to individual unit costs are generally not permitted. This has been problematic in post-coup Myanmar, where the PR wants to increase salaries to take into account inflation, as well as to build in danger pay. A similar issue was experienced in Mali, where government-required annual increases could not be built in due to the restriction on unit costs.

[97] IMF (2022) Strategy for Fragile and Conflict-Affected States, IMF: Washington DC, USA.

[98] Also in Somalia, gender inequality was revealed in the pandemic response with sex disaggregated data on COVID-19 vaccination rates showing an initial man to woman ratio of 70:30 (2021). Tailored interventions to address this have since begun balancing this ratio.

in Myanmar. Even if there was not complete collapse, there was at least a diversion of human and financial resources away from health areas such as HIV, TB and malaria, to focus on the pandemic. In countries such as Yemen, COVID-19 morbidity and mortality exacerbated healthcare worker shortages, further disrupting service continuity. Jordan diverted resources from donors that traditionally strengthened health systems including laboratories, staff, and health infrastructure to focus on addressing the immediate crisis. In Myanmar, the severe third wave hit in 2021 during the height of the civil disobedience movement, which was led by health care workers, further impacting the health system.

These health system impacts also created significant disruptions for Global Fund grants, many of which were already affected by PSM issues due to disrupted supply chains. Results of this, however, were mixed. In MER, for example, grant performance experienced little disruption as a result of the COVID-19 pandemic and overall, there was substantial progress towards performance framework targets (70-80 percent disbursement rates). South Sudan, however, suffered more from a delayed supply chain of key commodities – particularly malaria diagnostics, which created more disruption than COVID-19 itself. In Myanmar, the supply chain situation was further compounded by international embargoes following the coup. While the country had benefited from many flexibilities to respond to the double crises, fast tracking procurement of locally available products was limited by the lack of flexibility allowed on product quality assurance and limited availability of goods. Not all commodities could therefore be procured on time; however, some local procurement was allowed by SRs with clinical services to ensure continued services addressing the COVID pandemic.

Some positive efforts were seen to link activities, however, and in Syria, over 30,000 individuals were reached with key messages about TB integrated with COVID-19 messaging. In Myanmar, online training of 600 workers for COVID homecare proved to be a crucial innovation. In South Sudan, creative services delivered by peer volunteers and staff using online consultation and counselling, providing treatments to patients for longer periods. The media was used to reach people with information and education messages on COVID-19, and HIV/TB activities actually contributed to an increase in HIV self-testing. A flexibility in Niger allowed the country to use C19RM funds to extend emergency cash support to 3,000 PLHIV.

No additional differentiation for COEs during the COVID crisis

The Global Fund's rapid response to the COVID-19 pandemic demonstrated the flexibility and speed that the Global Fund is capable of. As many stakeholders saw it, "all countries became COEs" in terms of having access to greater flexibility. This was a tremendous effort, the Global Fund's commitment to respond as quickly as possible was widely appreciated. It also represented a higher acceptance of risk at that time, given that the approval process of C19RM did not have some of the usual checks and balances in place in the interests of speed. Some countries – notably MER and South Sudan – noted the pro-active approach of the CT and others at this time. MER key informants reported that many virtual meetings with the PR, country programs, partners, suppliers, and the Technical Support Group were held to address the impact of airport, seaport and land borders to ensure continued and uninterrupted delivery of consignments of lifesaving drugs and diagnostics to MER countries. In South Sudan, the CT invited the CCM and partners to identify savings across the three grants to

respond to the first needs for COVID-19 control. South Sudan also received C19RM funding, which included support for RSSH and community, rights and gender responses, as did MER. These efforts, and similar efforts in other case studies (e.g., Niger), are to be commended.

The Somalia case study reveals a different experience, although they also observed the pro-activity by the Global Fund, and within the country. However, there was a sense that while this period was more difficult for all countries, it became even more challenging in already complex COEs, yet they were not given any special consideration compared to other countries, since flexibilities were extended to all. That is, there was no differentiated approach in terms of funding requests templates, process, or timelines. Somalia requested a different approach for C19RM as a COE, however the Investment Committee set up for the C19RM funding request approval disregarded the requests. The C19RM grants – at least initially – had to be accommodated by leveraging existing human resources and systems, which placed additional burden on PRs and SRs during an already challenging time, until a new team could be set up. This message was heard repeatedly from partners during global interviews – that while the speed and additional resources were appreciated, C19RM created another set of reports and responsibilities, without providing additional resources to support them.

Many stakeholders involved in the process – from the CTs, the PRs, SRs and partners – referred to the "human cost" of keeping up with the pace of demands, particularly for C19RM 2.0.[99] Staff burnout was reported in the Secretariat and at the country level, which ended up slowing processes down after they had been moving so fast for so long in some areas. One global partner shared, "Reporting and compliance requirements have become too burdensome and been complexified with C19RM. So, it's proving overwhelming to have the same level of detailed reporting, but the requirements are not differentiated – there was no flexibility in deadlines. C19RM funding is added to the grants, but it requires separate reporting, also for all the SRs – and in some countries not all SRs have the same capacity. Plus, there is additional reporting: monthly reports on supply chain, quarterly reports, spot checks from LFA, service level spot checks. It's the same approach in COE and non-COE countries. So, there are problems with implementing C19RM, in addition to all the others." Another global partner also noted: "there was no time to work because all we're doing is reporting. Then we get slammed with Pulse Checks, which are supposed to be light, but it was horrible. The portal is horrible – who can sign, who can approve, and trying to get things moving in emergency settings when people move around".

COE policy support for community organizations

Among the exciting initiatives that emerged from COVID-19 were some of the community-led responses, which were able to step in where the national health system was unable to – particularly in areas that are not under state control. Examples of community innovation, sometimes supported by the COE policy, are shared in Box 8. These examples are encouraging, and the PCE also found that community efforts are increasingly valued. The PCE noted that "In some countries, NFM3 grants are shifting RSSH intervention approaches, with greater emphasis on community systems

[99] This finding contradicts somewhat the observation in the 2021 PCE synthesis report that "Grant revision processes introduced to support the COVID-19 response were flexible and a reasonably 'light lift' for country stakeholders, enabling rapid implementation adjustments in 2020".

strengthening for improving access to and quality of service delivery."[100] This path is particularly important in COEs, where instability in national institutions might be countered by consistent service delivery at the community level.

Box 8: The Role of Communities

The Role of Communities

In many case study countries, the role of communities – both civil society and community health workers – emerged as important actors.

- **CAR**: Communities are active in delivering services for the three diseases in stable and humanitarian settings, which is a role valued by the MOH. Their activities – often innovative in nature – also address stigma and discrimination faced by KVPs. Community-based surveillance during COVID-19 was so successful the government and donors are planning to extend it. CHWs are supported by many donors, however the approach is not yet harmonized. Expertise France is involved in capacity strengthening with a view to have more CSO PRs. While C19RM spending was low, what little disbursement there was (17%) is attributed to CBOs.
- **Myanmar**: During "coup-VID", drug dispensing moved to monasteries, shops, and homes and whatever spaces CBOs and CSOs could find. ARV service locations are shared through social media. As a result of these efforts, the majority of ARV clients continue to be served in extremely challenging circumstances.
- **South Sudan**: The COE policy has facilitated the involvement of CSOs and KVPs through single-quote partner selection, a simplified reporting format and longer reporting times, and harmonization of per diem rates to avoid attrition. SSRs working with KVPs play a strong role in negotiating the release of patients/beneficiaries from prisons, where they are held for being MSM or sex workers. With their grassroots knowledge and networks, these organizations provide unique services beyond the scope of most humanitarian/development partners.
- **Mali:** A community PR by the CCM, ARCAD Santé Plus, had been an SR for 15 years and presents several advantages: a strong track record of service delivery for PLHIV and KPs; extensive collaboration and grounding with community CSOs; and a network with other Francophone African CSOs, French Coalition Plus and diversified donors (FHI360, Expertise France, ANRS – an infection disease agency). The CSO prepared for the NFM3 application one year ahead of the cycle and obtained support of the CCM and Expertise France to become a PR. Currently, they run a USD 24 million grant covering community activities for the three diseases, and coordinate INGO co-operation in hard-to-reach areas.
- **Niger:** National government PRs work with CSOs as SRs to reach key and vulnerable populations (e.g., SongES, RENIP+, MVS). A KP-friendly center is

[100] The Global Fund (2021), Prospective Country Evaluation Synthesis Report, 2020-21 Synthesis Report, The Global Fund: Geneva, Switzerland.

provided in Niamey by MVS and serves a large cohort of KVPs. In other regions, CSO sponsored mobile teams undertake outreach missions and a new contract scheme with CSI is being piloted for the health service sites to offer more tailored services to some of these populations.

Global Fund reporting and financial procedures – particularly where additional safeguards are in place – are seen by countries as a deterrent and constraint to community-led programming, particularly in PR and SR roles. While possible, the COE policy does not appear to have been extensively used to facilitate greater community participation in Global Fund grants. Particularly in countries where the government and context are unpredictable, community partners may in fact be more stable service providers, offering a complementary pathway to sustainability and equity.

2.4. Objective 5: Lessons Learned

Objective 5: To identify key lessons from implementation of the COE Policy and provide recommendations to improve the Global Fund's investment in COEs.

Importance of sharing learning and experience

The annual COE stakeholder meetings were mentioned by different Secretariat staff and global partners as important opportunities for learning and exchanging experiences about the COE policy. Suggestions to improve these meetings, which the evaluation team also supports, include:

1. **Increase the frequency of the meetings** to support more regular engagement, rather than allowing information and lessons to accumulate for a year. More frequent (and perhaps shorter and less formal) engagement will also help support relationship development;
2. **Increase meeting participation to include more country-level partners**, which may also be facilitated by more on-line or hybrid meeting (perhaps alternating with in-person meetings). Meetings so far have mainly included global partners at the central level; however, it is not always evident that the information received by global- or headquarter-level participants is then shared with country-level counterparts, and more direct engagement may be necessary.
3. **Invite more field-level presentations**. While the multiple departments across the Secretariat have important updates to share with partners, which are welcomed, it is also necessary to give more space to implementers to share examples of what they have been doing and trying.

Box 9: Suggestions for the Secretariat (COE Team)

Suggestions for the Secretariat (COE Team)

The consistent support and praise for the COE Team is evidence that their efforts are appreciated. It is also clear from the team's 2022 work plan that they are well aware of what needs to be done to enhance their work. The evaluation team endorses the work plan and notes the need to ensure that the team is adequately staffed to carry out the plan. The evaluation does not envisage a time in the foreseeable future where the work of the COE team can be "mainstreamed", and a dedicated team will no longer be necessary. In full support of the work plan, the evaluation suggests that the following activities be considered for prioritization.

1. **Sharing examples:** Develop a template to rapidly document and share examples of flexibility use, and a mechanism for sharing them with partners (e.g., a mailing list), and a central location to store them for easy partner reference (e.g., the Global Fund website).
2. **Centrally track all flexibilities:** It is suggested that a simple mechanism be developed to centrally track all the flexibilities requested and approved for COEs from all channels, not just those submitted to the EGMC. This will help the team understand (a) what flexibilities are being requested and used across the organization, and (b) how

often different types of flexibilities are requested, and (c) how flexibilities are requested.

3. **Increase the frequency of COE stakeholder meetings**, to allow for more real-time sharing with a wider group of people. This can include more online informal meetings between annual or bi-annual in-person meetings. Partners express a wish to learn from each other.
4. **Ensure the work plan balances support for chronically unstable contexts, as well as acute emergencies:** The former appear to be neglected and feel less benefit from their COE designation.
5. **Continue to develop and strengthen partnerships**, particularly with organizations aligned to the Global Fund's mission in a way that complements skills, such as UNFPA (GBV), and to learn more about other partners' approaches to Do No Harm.

Policy comparison across peer organizations

Comparison of Gavi and the Global Fund policies and the World Bank strategy on working in fragile and conflict environments did not highlight relevant differences nor underscore areas that should be strengthened in the Global Fund policy, despite the differences in policies, organizational structures and objectives (see Annex 5). Each organization is seen to be evolving in its approach – but in similar ways. The comparison confirmed that appropriate countries are being identified by the Global Fund criteria, and reaffirmed the importance of country-tailored solutions, flexibilities to reduce transaction costs, speed of action (particularly in emergencies), partner alignment and new partnerships. While the World Bank categorizes countries by institutional fragility or conflict-affected (medium and high) environments, such additional differentiation at the policy level did not seem useful at this time for the Global Fund given the diverse environments covered under the COE designation. The recent review by the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD-DAC) of the humanitarian-development-peace nexus provides important areas for further work by the partners.[101] Discussion between risk management teams at Gavi and Global Fund may be of interest, as the organizations appear to take different approaches to mitigating the higher risks in COE environments, with Gavi acknowledging a level of loss, and the Global Fund Policy placing even greater emphasis on additional accountability mechanisms. The Global Fund COE Team should continue its engagement in the HDP Nexus work and bring lessons learned into COE OPN updates and through other means.

Capacity constraints in COEs require special attention

Capacity gaps are critical in many COEs and impact the ability to deliver both health services and Global Fund grants. The 2019 Partnerships review observed that COE contexts "are likely to need more [capacity building] … where capacity is quickly lost and systems are weak."[102] Capacity strengthening is needed across the board – in program delivery, e.g., financial management, project design, implementation and

[101] OECD DAC (May 2022). The Humanitarian-Development-Peace Nexus Interim Progress Review.
[102] The Global Fund (2019), Thematic review of the Global Fund country level technical support partnership model, The Global Fund with Itad: Geneva, Switzerland.

reporting; and across the health system. Governments, national implementers, communities and CSO capacity gaps need to be identified, prioritized and addressed. Yet, little work is being undertaken to address this issue.

The 2019 WCA audit found that capacity needs assessments were not done, and capacity strengthening could be ad hoc across Global Fund and other partners, e.g., the French 5% Initiative, and BACKUP Health Initiative, as well as technical partners such as UNAIDS, WHO, or Stop TB. Funding was also not earmarked for this purpose. The need for capacity development plans for PRs and SRs was also raised by the 2019 COE implementers survey, including requests to strengthen capacity on the changing budgeting procedures, reporting, financial management, and grant and financial management for governments, M&E, NSP development, and national supply chain. Requests also called for the Global Fund to ensure resources are provided for ongoing capacity strengthening approaches, as opposed to one-off training.[103] KIs interviews for this evaluation also recommended that the Global Fund include funds for capacity strengthening of SRs and community organizations, including on ensuring that PSEAH is understood and addressed.

Often low salaries, poor and unsafe working conditions and a record for not paying mean that the public sector cannot attract and retain qualified staff in many COE settings. Global Fund and partners may need to be more flexible on funding staff positions in order to achieve health objectives. However, this will entail trade-offs between services and sustainability. Systems and sources for capacity strengthening are also needed and are scarce in these contexts. For example, Global Fund KIs and the 2017 audit and 2019 review expressed concerns over potential conflicts of interests in charging Fiscal Agents with strengthening financial capacity in order to improve national ownership of grant management. It was also noted by more than one PR that there can be an assumption that capacity strengthening of SRs will happen (by the PRs), rather than actually funding it as an activity. Capacity strengthening can occur if the PR has the appropriate skill set, willingness, and time available, or depending on the nature of the activities planned, but it cannot be assumed.

Capacity strengthening also requires a longer-term view than the three-year planning cycle of Global Fund grants. Working with partners and countries to develop aligned plans and identify funding sources is critical. A good example is Somalia, where the World Bank is investing significantly in strengthening the capacity of the health system at the federal and state levels, including hiring MOH officials (USD 25 million) that will benefit the work of all health cluster partners.

Box 10: South Sudan Case Study

South Sudan Case Study

Key country features

South Sudan experiences both acute emergencies and is a chronically unstable fragile state, classified as a Core country, and under ASP. UNICEF and UNDP are the PRs. Decades of war and civil war, political turmoil, violence,

[103] The Global Fund (2019), COEs Implementers Survey Results Summary, the COE Team, Grant Management Department: Geneva, Switzerland.

and natural disasters continue to challenge health system development and program implementation.

Notable COE policy use

According to the COE Tracker, South Sudan is the country who has requested flexibilities most often (16 out of 55 recorded flexibilities), however the process – with the preparation of a memo by the PR, SR and CT – is perceived as laborious and time consuming, particularly as requests are submitted on a case-by-case basis. Approvals were reported as taking 3 – 6 months, which is incompatible with a rapidly changing environment. The policy is not well understood by country partners, and is often confused with ASP. In addition to requests for process simplification and waivers, however, an interesting use of the policy in South Sudan was to approve salary top ups of MOH staff (and a separate one to allow payment in US dollars). This flexibility has been mentioned as desirable in other countries, where it was not known that South Sudan was already doing this. South Sudan has also used the policy to support partnerships with humanitarian organizations to deliver commodities in hard-to-reach areas, with flexibility on the modalities and verification of the distribution.

Observations and implications

South Sudan is a good example of effective policy use, with flexibilities being credited with contributing to grant results. However, there is a perception that the COE policy is not being fully utilized to directly support service delivery, and the labor-intensive and slow process of requesting flexibilities serves as a deterrent from further use. Despite the extremely challenging context, however, promising initiatives such as coordination and partnerships between national health programs, community-led initiatives, and different donors – including the Global Fund – are creating efficiencies, and allowing more people to be reached, including in the most remote areas.

Results can be prioritized over country ownership

The case studies have shown a range of alternative implementing and governance mechanisms. Only two of the eight countries reviewed included Ministries of Health as PRs. Other COE settings may include public sector organizations (Ministries and disease programs) as SRs. Many national and partner KIs noted that in most cases, there is no transparent path for strengthening capacities for national or local governments to (re)claim those roles, reducing country ownership and governance of the Global Fund grant and its activities.

While the focus on – and achievement of – results are applauded, a more systemic approach to strengthening country ownership and governance of activities – or at least a framework for expanding engagement of national and local partners over time should be considered for all COE settings. The OECD DAC 2021 HDP Nexus review notes the need for partners to work more on investing in national and local capacities and systems, and recognizes the difficulty of transitioning from extended reliance on humanitarian assistance to development cooperation principles.[104] Similar obstacles

[104] OECD DAC (2021). The Humanitarian-Development-Peace Nexus Interim Review.

exist in moving from programs managed by international organizations to countries responsibly taking on these responsibilities.

Finding ways of working together with partners who are able to better integrate into – while strengthening – national systems may be an option. For example, the World Bank and UN agencies are often present on the ground and working through government and community systems. The UNDP in particular, has a mandate to build capacities at the local level. Leveraging these pathways may help Global Fund to better support local ownership and governance options.

Box 11: Implementing and Oversight Bodies in COE Contexts

Implementing and Oversight Bodies in COE Contexts

Four out of the seven case studies have functional CCMs in place, including representation of communities and civil society. The exceptions are MER (Technical Support Group), Somalia (Global Fund Steering Committee), and Myanmar (whose CCM stopped functioning after February 2021. The Regional Steering Committee for the regional malaria grant is playing a governance role as CCM, but it is malaria focused and not country-specific).

Despite all case study countries being under ASP, giving the Global Fund the right to select the PR without CCM approval, this is not the case in all countries. In Mali, mismanagement by national PRs in 2010 resulted in PR-ship moving to international organizations; however following advocacy efforts by country stakeholders in 2019, the decision was made to return PR-ship to the country for three out of four grants – two to the MOH, and one to a national NGO, and former SR. Similarly in Niger, the MOH is the PR of two out of three grants. In all other countries, the PRs are international organizations: UN agencies (four countries) or INGOs (four countries), often both.

- CAR : Croix Rouge Française, World Vision International
- Mali: Ministry of Health (2), local NGO, Catholic Relief Services
- Niger: Ministry of Health, Catholic Relief Services
- Somalia: UNICEF, World Vision International
- South Sudan: PSI, UNDP, UNICEF
- MER: International Organization for Migration
- Myanmar: UNOPS, Save the Children.

Countries do not see a path to national ownership in COEs

As discussed earlier, the COE policy is often conflated with the ASP policy, which is seen as confining for countries, or something to escape. The ASP policy requires countries to develop a transition plan, with clear milestones to move out of ASP (e.g., improved program management and fiduciary capacities). In practice, it was not clear from the case studies that all countries have this exit strategy in place. While "exit

from COE designation" plans for the would not be appropriate given that it is largely determined by the ERI, plans to ensure engagement of national stakeholders to the greatest extent possible – with identification of steps needed to increase engagement in program planning and implementation – would be appropriate, but don't seem to formally exist. National partners appear frustrated by the lack of clear communication on why a country was designated as a COE, what this means and what it allows them to do – and how it differs from ASP.[105] This frustration is compounded by the lack of a clear pathway towards greater national ownership and capacity.

Box 12: Niger Case Study

Niger Case Study

Key country features

Niger has been designated as a COE by the Global Fund since 2016. The setting provides a particularly challenging environment for health programs. Niger ranks at the bottom of the Human Development Index (2022), with a health workforce ratio of two to 10,000 people, and low human resource capacity. Efforts to address the three diseases and RSSH are hampered by factors including large distances, climatic challenges, stigma and criminalization of KVPs, terrorist threats, and limited national resources. Niger has been under ASP since 2013, given weak capacity for oversight and implementation, and prior financial problems in accounting for GF grants. However, there have been strong and successful efforts by in-country and other partners, and by the GF Secretariat, to promote national ownership of the programs, enhance capacities, and ensure coordination with UN clusters and across partners (e.g., Expertise France, PMI, WHO, UNAIDS). The MOH serves as the PR for the TB (NFM2 and 3) and HIV/RSSH (NFM 3) grants, while Catholic Relief Services, an INGO, is the PR for the malaria grant (taking over from UNDP PR-ship several cycles ago). A CCM, inclusive of communities and civil society, is in place. Several CSOs are funded as SRs by the public sector PRs to undertake outreach and service delivery to HIV and TB KVPs. Innovative partnerships are also in place with UNHCR/ IOM to address the needs of the increasing numbers of mobile populations (refugees, IDPs, other people on the move). The well-staffed Core country team works closely with the PRs to ensure adaptive management of the grants as needed for performance and outcomes, and manages the program within Global Fund rules, with only limited flexibilities used. Progress is being made in tackling HIV, TB and malaria, however, progress remains subject to risks due to the COE setting, and continued efforts are needed to maintain and further address the three diseases. In the most recent grant performance ratings, the Malaria grant was rated A2, and the TB and HIV/RSSH grants were both rated B1.

Notable COE policy use

Stakeholders at the country level seemed to have limited awareness of the COE policy and typically confused it with the ASP policy. The CT has requested flexibilities on a case-by-case basis, although none appear on the COE Team's tracker. A wide array of human resources (within PRs, SRs, disease programs and community health workers) are funded through the grants, in recognition of the limited capacity of the Government to maintain these posts. Warehousing

[105] Few countries have left the COE designation, and the evaluation has not explored what this transition looks like.

infrastructure is also financed in a bid to improve supply management. Flexibility was received to provide cash transfers to PLHIV during COVID-19, which overcame barriers and contributed to results. Budget flexibility was also requested and used to support additional security measures for partners. As noted above, innovative partnerships are in place, both with CSOs (as SRs) to address the needs of TB and HIV KVPs, and with UNHCR/ IOM to address the needs of migrants and internally displaced persons. The program is managed with recognition of the humanitarian-development-peace nexus, with on the ground partners collaborating with UN Clusters.

Observations and implications

While good program performance in this particularly challenging setting is laudable, several areas were noted, particularly by national PRs and partners, that may hinder better performance and outcomes. Chief among these was the perception that the stringent FA oversight of the public PRs results in delays in reimbursement/ disbursement for the TB and HIV/RSSH grants. However, lags in disbursement also demonstrate the difficulties of implementing entities in fulfilling their obligations in providing necessary justifications for expenditures in due time. National respondents indicated that they are not aware if there is a plan for exiting FA oversight, or what capacity building is needed. However, the Evaluation Team notes that the FA TOR includes financial capacity building (reportedly 10 days per quarter) being undertaken by the FA. Particularly acute was the situation for CSOs, who noted that being under MOH rules meant that active, rapid response programming, as needed to reach KVPs, was challenging, given standard planning and budgeting processes and difficulties at HIV-PR level to process their urgent demands (making immediate response at field level difficult). It would seem useful to have greater transparency between the Global Fund and national partners around the requirements of the ASP, the need for an FA, and the paths toward building the national capacities needed to manage the grants (Expertise France is involved), and the benefits of the COE policy to determine, together with the PRs and engaging with the SRs, more effective and efficient ways forward, particularly utilizing the benefits inherent in the COE Policy.

Key and vulnerable populations are at greater risk in COEs

The challenge of prioritization in all Global Fund grants where resources are limited is always present, yet often heightened in COEs. The need to deliver services – and the higher cost of doing so – can come at the cost of other priorities, including prioritizing equity, rights, and gender. These activities – particularly when they target KVPs, can require the specialized skill of KP organizations. However, it emerged in at least one case study – Somalia – that keeping costs low and implementation arrangements simpler was preferred to having too many SRs. The PCE found evidence of this in other contexts, noting "in some cases, efficiency and/or effectiveness considerations appear to have taken precedence over equity considerations in NFM3 grant design. For instance, in response to concerns with efficiency, some countries adjusted NFM3

PR and SR implementation arrangements with potentially negative consequences for equity."[106]

Key populations are at greater risk of stigma, discrimination, criminalizing, and harassment in many COE contexts, yet amidst many the competing priorities present in complex crises, these needs are often overlooked. This includes the potential risk that they are exposed to as implementers of, or participants in, Global Fund supported activities – highlighting the duty of care that the Global Fund has to these individuals that are relied on.[107] Given the Global Fund's commitment to ensuring meaningful engagement of these groups in the new strategy, and the need to ensure their safety and security, further signaling of the importance of addressing these needs – in the way of guidance (forthcoming) and funding – is necessary. For instance, there is no specific mention of gender or KPs in the COE policy or Operational Policy Note to signal that it is something to be prioritized, or at least considered in this context, or to link to CRG guidance on this issue.

Box 13: GBV in COE Contexts

GBV in COE Contexts

As a result of weak governance systems, violence, conflict, displacement and gender inequality, the risk of gender-based violence (GBV) is higher in COEs. This in turn increases the risk of HIV transmission, particularly among KVPs (see Annex 8). **There has been a dramatic increase in the global number of rape cases in the last three years in unstable settings, with the case study countries also demonstrating this trend.** Despite the increased risk and the known link to HIV, while GBV is mentioned as an important issue in the funding requests, it is not included as a budgeted activity in CAR, Somalia or South Sudan. In countries such as Somalia where other actors, such as UNFPA, UNICEF, IOM and CSOs are engaged, this may be due to support already being provided. However, interviews suggest that GBV is consistently under-funded in COE settings. GBV is not addressed in the MER, Myanmar, or Niger funding requests. While increased cases of GBV were also reported during the COVID-19 lockdowns (e.g., in Somalia), this issue was not addressed in C19RM funding requests in the case study countries.

Good practices were identified in Mali, however, which included funding for a human rights watchdog to monitor and report on human rights abuses – including GBV – that will start later this year. One of its humanitarian partners also runs one-stop centers for GBV survivors, and is eager to cooperate more with the Global Fund on this. After a rapid assessment to assess how well equipped the SRs are to respond to GBV, a technical assistance mission will support the introduction of a systematic response to GBV through: training staff of the five SRs, implementation of tools to

[106] The Global Fund (2021), Prospective Country Evaluation Synthesis Report, 2020-21 Synthesis Report, The Global Fund: Geneva, Switzerland.
[107] For example, inviting sex workers or MSM to join the CCM or other Global Fund meetings where their activities are criminalized, may place these individuals at risk.

identify and report on GBV, and integration into an existing network of medical, psychosocial ad legal services for GBV survivors.

The evaluation's research also found that due to the context, there is a heightened risk of gender-based violence (GBV) in COEs (see Box 13). While the impact of GBV on HIV transmission is increasingly being recognized in Global Fund investments, it is not a consistent consideration in COEs – even where there is evidence of its increase. In some COEs, partners are already on the ground working on GBV, and developing these partnerships will be necessary to tackle this important issue, and risk back-sliding on HIV and equity gains – particularly in contexts where the government has no incentive to change the status quo.

Given the growing recognition of the importance of engagement KVPs in the new strategy as critical to the Global Fund's mission, it is encouraging to see positive examples of support already evident in some of the case studies. In South Sudan, there are good examples of improved access to health for the most at risk and vulnerable population (including IDPs, refugees – see Box 14) where the COE policy has facilitated partnerships with UNHCR and humanitarian organizations, using service provider contracts, which allow more agility than traditional SR relationships. COVID-19 also saw additional efforts to reach KVPs, particularly by communities (see Box 8). Country stakeholders in South Sudan credit the Global Fund's promotion of PLHIV and other KVPs to ensuring that they are included in programs that they would not otherwise have been reached.

Box 14: Displaced, Mobile and Migrant Populations

Displaced, Mobile and Migrant Populations

The number of people on the move – either through forced displacement (refugees and internally displaced people – IDPs), seasonal mobility or migration – is high and rising worldwide. Forced displacement (see Annex 8) in COE countries represents significant proportions of country populations, who are both more vulnerable to the three diseases, and less likely to have access to health services. A range of responses was noted in COE country case studies. Some countries included these groups in National Strategic Plans, CCM oversight mechanisms and development of funding requests (e.g., Niger, MER), but this is (a) not consistent, and (b) rarely covers all types of people on the move (migrants and nomads are typically under-represented). Once mobile populations cross borders, the situation can be further complicated, although there are good examples of how the Global Fund can ensure that "money follows the people", such as through MER, and on the Thai-Myanmar border (see below), using flexible approaches.

- **Niger:** National programs work closely with UNHCR and IOM to address refugees and migrant issues. Refugees and IDPs are included in national strategic plans and funding requests and are interact and work with the CCM.

- **Myanmar:** An increase in malaria on the Thai-Myanmar border poses a new threat to malaria elimination in the region. To respond to the displacement of people in Myanmar, a strategic partnership between the CT, PRs and Thailand's National Programs has enabled mobile service coverage for displaced people in border areas. GF civil society SRs working in that area have been providing malaria services on both sides of the border under Myanmar's Regional Artemisinin-Resistance Initiative 3/Elimination grant, which takes a regional approach to malaria elimination.

3. Conclusions

The evaluation team was requested to focus on the evaluation objectives, and conclusions have been formulated in this way. However, consideration was also given to each evaluation question, which were grouped by objective. Specific findings against these questions are presented in Annex 9, with the overall conclusions represented in this section, and mapped to these findings. Each conclusion is assessed for its strength of evidence (SOE), using the ratings presented in Table 3.

Table 3: Ratings for Robustness of Key Findings

Rating	Assessment of the findings by strength of evidence (SoE)
Strong (1)	• Supported by data and/or documentation categorized as being of good quality by the evaluators; and • Supported by majority of consultations, with relevant consultee base for specific issues at hand
Moderate (2)	• Supported by majority of the data and /or documentation with a mix of good and poor quality; and/or • Supported by majority of the consultation responses
Limited (3)	• Supported by some data and/or documentation which is categorized as being of poor quality; or • Supported by some consultations and a few sources being used for comparison (i.e., documentation)
Poor (4)	• Supported by various data and/or documents of poor quality; or • Supported by some/few reports only with no data/or documents for comparison; or • Supported only by a few consultations or contradictory consultations

3.1. Conclusions Mapped to Findings

The pertinence of different findings varied as the evaluation progressed, and not all were as relevant to informing the conclusions as others, however, all were used to inform the conclusions, as presented in Table 4.

Table 4: Conclusions Mapped to Findings

SOE	Conclusions	Map to Findings
	Objective 1: Operationalization	
	1. While the Global Fund's country-specific approach to support respects individual country contexts, the variable and unclear risk acceptance levels create uncertainty and contributes to the lack of use of the COE policy.	2, 6, 22, 28, 30, 32, 46, 65, 68, 69

	2. Operationalization of the COE policy has not resulted in a consistent, "differentiated approach" to supporting programs in COE contexts, with many secretariat and country-level stakeholders not perceiving a meaningful difference in how the Global Fund works in COE and non-COE contexts.	3, 8, 58, 79
	3. The lack of understanding about the COE policy among country-level stakeholders (PRs, SRs, CCM, government, civil society and other partners) results in a lack of utilization of flexibility, innovation and partnership opportunities.	5, 6. 30, 49, 57, 66
	4. Use of the policy is inconsistent across Country Teams for different reasons, including the time-consuming nature of preparing the flexibility request (depending on CT size), long approval process, priorities, and different risk appetites.	3, 6, 8, 9, 15, 26, 27, 46, 66
	5. Flexibilities are granted more often and more quickly in acute emergency contexts compared to chronic instability contexts.	47, 64, 68
	Objective 2: Flexibilities, Innovation and Partnerships	
	6. Country Teams – particularly core and focus countries – find the process for accessing flexibilities onerous, and along with country stakeholders and partners, find the lack of guidance on possible flexibilities a barrier to using the policy.	6, 8, 26, 27, 38
	7. The COE policy has facilitated some innovative and effective approaches to address COE contexts; however, they are not well known, which limits opportunities for replication, adaptation and scale-up.	1, 4, 10, 15, 30, 43, 84
	8. The Global Fund's engagement in the humanitarian-development-peace nexus has contributed to increased program coverage, and there are further opportunities to deepen these relationships for further program impact at the country level. They should be further expanded to include gender, GBV, KVPs, and mobility.	4, 5, 10, 18, 39, 40, 41, 42, 43, 53, 54, 80
	Objective 3: Grant Efficiency and Effectiveness	
	9. The majority of approved COE flexibilities support administrative processes, rather than address country-level implementation challenges.	7, 28, 36, 48, 51
	10. Limited examples were found of the COE policy contributing to grant efficiency, even fewer to effectiveness, but policy implementation doesn't go far enough to simplify Global Fund processes or clarify acceptable risk levels.	1, 10, 37, 68, 69, 79
	11. At times, programs seem driven solely by the need to deliver services with less regard for equity, in terms of addressing human rights and gender constraints – which can be higher in COEs – to service utilization.	24, 48, 52, 77
	12. The COE policy is often conflated with the Additional Safeguards Policy by country stakeholders, with no clear process to ensure that the two policies work together to support implementation.	7, 20, 58, 67, 77

	13. Some contexts have made good use of COE flexibilities to address regional population movements, which can serve as examples for other regions.	10, 16, 39, 41, 42, 50, 70, 79
	14. Insufficient Global Fund attention and alignment across partners to strengthen RSSH due to immediate priorities to provide services, and the difficulty and uncertainty of RSSH – particularly government systems – in COE settings.	17, 58
	Objective 4: Impact of COVID-19 on COEs	
	15. The impact of COVID-19 in COE countries was as diverse as the contexts, creating additional challenges – particularly for RSSH – but also creating some opportunities, for example for communities and CSO's to fill gaps.	19, 21, 53, 59, 60, 70, 71, 72, 73, 78
	16. The additional flexibility of the Global Fund in response to COVID-19 gave all countries access to flexibilities, and COEs experienced no additional differentiated approach, including managing the additional reporting burdens created by C19RM.	26, 37, 61, 62
	Objective 5: Lessons Learned	
	17. COE stakeholder meetings hosted by the Secretariat are appreciated opportunities for exchanging lessons learned, with scope for further learning and sharing, particularly at country levels, needed.	4, 45, 54, 78, 79, 80
	18. The standard three-year program planning cycle is considered insufficient to achieve measurable change in health systems contexts, particularly amidst chronic instability.	13
	19. Human resources for health (program management to service delivery) are often particularly scarce in COE settings due to insecurity, outmigration and violence.	13, 17, 21, 24, 25, 74, 75, 76, 78
	20. In some COE contexts, governance and implementation structures are used that by-pass government programs and local stakeholders for expedience, resulting in strained relationships and lack of ownership by national authorities.	13, 20, 23, 24, 57
	21. Clear plans for strengthening engagement of governments and local stakeholders in program planning and implementation are needed, but seldom exist, and were not evident even for ASP in some contexts.	13, 21, 23, 24, 74, 75, 76, 77
	22. Despite the increased risk of sexual exploitation and harassment in unstable contexts, no evidence was found of consistent or appropriate application of the Prevention of Sexual Exploitation, Abuse, and Harassment policy due to lack of prioritization and resources.	11, 12, 14, 44, 52

	23. Despite the clear link between gender-based violence and HIV transmission, and the increased risk of GBV in unstable contexts, limited evidence was found of adequate consideration of gender-responsive approaches and GBV support or partnerships in COE countries due to a lack of prioritization and resources.	11, 14, 52, 53

3.2. Prioritized Recommendations

Table 5: Recommendations Mapped to Conclusions

Map to Conclusion.	Recommendations	Responsible Parties	Timeframe
Strategic Recommendations			
1, 4, 10	1. **Agree on an adapted risk acceptance approach with clear financial risk thresholds for COE grant portfolios and provide clear guidance to the relevant departments across the Secretariat and country implementing partners for NFM4.** Communicating a higher and clearer level of financial risk acceptance to CTs and country-level partners will facilitate greater use of the policy and encourage innovation.	Global Fund Secretariat, Board	NFM4 funding request development processes
Operational Recommendations			
3, 4, 6, 7, 9, 12	2. **Ensure a more consultative process to engage country stakeholders on operationalizing the COE policy during NFM4 and future grant making processes**. Built into the revised Operational Policy Note, this process can include an orientation to the policy, rationale for COE designation, and a participatory review of the operational plan for program implementation, with discussion on what flexibilities are necessary to facilitate the process. It should also include discussion of how the COE policy and ASP (where appropriate) will be jointly utilized.	GF Secretariat (A2F requirements and OPN update to reflect this greater consultative process)	At the beginning of NFM4 grant implementation.
2, 3, 4, 5, 6, 9, 10, 16	3. **Pilot packages of pre-defined flexibilities for five or more COE countries representing diverse contexts, to test whether an automatic/opt-out differentiated approach contributes to improved results within acceptable risk thresholds**. These packages may include simplified funding request and reporting templates, fewer indicators, longer reporting timeframes, automatic limited liability clauses for implementers in high-risk areas, adapted allocation formula, increased budget flexibility, flexible reprogramming timeframes, and shorter approval timelines. This process can be	GF Secretariat	During NFM4 grant making and early grant implementation.

	reviewed for modification or scale-up for NFM5.		
6, 7, 11, 13, 17	4. **Ensure that practical examples of COE best practices with regards to flexibilities, innovation and partnerships are referenced in the OPN and routinely documented and disseminated, particularly in preparation for grant negotiations during NFM4, and throughout the funding cycle**. Ensure that successful case studies – including examples of tools and templates used – are well known to support adapted replication and efficiency through additional documentation and wider stakeholder meetings. Actions proposed during the learning meetings should be monitored and followed-up in subsequent meetings. Particular attention should be given to sharing solutions found to address regional population displacement issues.	GF Secretariat	In preparation for NFM4, and throughout the funding cycle.
8, 13	5. **Provide clear tools and guidance to support the use of flexible partnerships and contracting mechanisms to encourage partnerships with organizations appropriate to the needs of each COE context in NFM4**. This may include direct service contracts with the Secretariat, or blended financing and payment-for-results/direct facility funding contracts at the country level, drawing on best practices identified in COE and non-COE designated high-risk environment countries. It should also include clearer guidance on how the CCMs (or equivalents) and PRs should engage the humanitarian community.	GF Secretariat	In preparation for NFM4 grant making.
14, 15, 18, 19	**6. Ensure long-term (6 - 9 years) and contingency planning[108] for strengthening resilient and sustainable systems for health in COE portfolios is undertaken jointly with partners and national stakeholders**. Plans should be prioritized, recognize and address constraints specific to the COE context	GF Secretariat with partner support	During NFM4

[108] "Contingency" in this context refers to planning for, identifying and mitigating potential risks that might prevent accomplishment of a grant program's RSSH or capacity strengthening goals. While related to the contingency planning requested of PRs in the event of an emergency, this is a broader effort to support longer-term RSSH and capacity building efforts in COE settings. The recommendation also aims to bring attention to the need for developing contingency plans, as this was not evident in all COE countries.

	(e.g., social, political, economic, geographic, cultural aspects), define measurable indicators to assess progress, and provide clear roles for national stakeholders and partners. Consideration should be given to improving the effectiveness of donor support for RSSH through consistent human resources funding policies, and blended finance, multi-donor funds or other innovative finance options. Security of health workers and "do no harm" ethos should be paramount in determining how to address human resources for health (HRH) issues in both the short- and long-term, particularly given the large number of female health workers and lack of gender equity in many of these settings.		
19, 20, 21	7. **Facilitate participatory capacity strengthening planning to address underlying constraints to local ownership, leadership and implementation of grants**. Work with appropriate partners (e.g., World Bank, USAID) to develop a grant management capacity assessment and planning tool to be used through a participatory process facilitated by the CT and COE Team with country-level public, private, and community stakeholders and partners to develop a country ownership plan.	GF Secretariat (Country Teams and COE Team), with partner support	Develop tool to roll out during NFM4, with plans to run through NFM5 and beyond.
22, 23	8. **Prioritize implementation of the prevention of sexual exploitation, abuse and harassment (PSEAH) operational framework, including the safety and security of key populations involved in Global Fund activities. In addition, GBV prevention and response requires special attention in COE portfolios**. Ensure that COE country proposals identify SEAH- and KP safety and security related risks, and incorporate corresponding mitigation measures into program design, preferably through use of the SEAH risk assessment tool.[109] Coordinate with the GBV cluster at the	GF Secretariat (A2F, with technical guidance from CRG), with partner support	During NFM4 grant making and early grant implementation.

[109] Funding Request Instructions for all categories (Full, Continuation, Focused) published 29 July 2022 include a section on SEAH and state: "For the 2023-2025 allocation period, all applicants are recommended to identify SEAH-related risks and corresponding mitigation measures during program design. The use of the SEAH risk assessment tool is optional." Consideration should be given to requiring these assessments for COEs.

	country level to determine how Global Fund investments can best to leveraged to mitigate the risks and consequences of GBV – a key contributing factor to HIV transmission in emergency and unstable settings – and other forms of violence and harassment against key and vulnerable populations.		

RFP No TGF-21-117

Final Report

Challenging Operating Environments

TERG Evaluation

ANNEXES

Submitted by Health Management Support Team

05 December 2022

List of Annexes

Annex 1: References

Global Fund documents

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35th Board Meeting, Challenging Operating Environments Policy, GF/B35/DP09
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Annex 2: List of people interviewed at global level

The following list includes people interviewed at the global level. At the time of submitting the second draft, the only pending interviews are with the Board and two more comparator organizations. Please note that country level interviewees are presented with the country case studies.

Number	Designation	Organization
1.	COE Team, GMD	Global Fund Secretariat
2.	Partnership Specialist, COE Team, GMD	Global Fund Secretariat
3.	Province Fund Manager, COE Team, GMD	Global Fund Secretariat
4.	TERG COE Focal Point	Global Fund Secretariat
5.	Head, Africa & MENA (WCA, ESA, MENA)	Global Fund Secretariat
6.	Regional Manager, EECA	Global Fund Secretariat
7.	Regional Manager of MENA	Global Fund Secretariat
8.	HIV Prevention	Global Fund Secretariat
9.	Senior Disease Advisor, Malaria, FP for COE	Global Fund Secretariat
10.	Senior Disease expert - Malaria	Global Fund Secretariat
11.	Senior Disease Advisor, TB	Global Fund Secretariat
12.	Head of CRG Department	Global Fund Secretariat
13.	CRG	Global Fund Secretariat
14.	CRG	Global Fund Secretariat
15.	Senior Specialist M&E	Global Fund Secretariat
16.	Manager, KPI Reporting	Global Fund Secretariat
17.	Head Country Risk Management	Global Fund Secretariat
18.	Risk Specialist	Global Fund Secretariat
19.	Senior Manager, Strategic Initiatives	Global Fund Secretariat
20.	Senior Advisor C19RM	Global Fund Secretariat
21.	Head of Strategy and Policy	Global Fund Secretariat
22.	Strategy and Policy	Global Fund Secretariat
23.	Deputy Head, Health Finance Department	Global Fund Secretariat
24.	Global Fund Unit Manager	World Vision International
25.	EMRO Malaria Advisor	WHO
26.	Global Fund Unit Manager	CRS
27.	Global Malaria and Health Partnerships Advisor	UNICEF

28.	GF Focal Point Bilateral Service Provision	WFP
29.	Access to Funding	Global Fund Secretariat
30.	Manager, Allocation Model and Strategic Information	Global Fund Secretariat
31.	Regional Manager of Central Africa Team	Global Fund Secretariat
32.	Operational expert Program Unit	Cordaid
33.	Managing Director, HIV/TB	Save the Children
34.	Senior Technical Advisor, RSSH, TAP (COE Focal point)	Global Fund Secretariat
35.	Senior Programme Officer (IOM)	IOM
36.	Senior Programme Officer, Health Systems Migration Health Division	IOM
37.	Manager, Senior Health Finance Specialist, AME	Global Fund Secretariat
38.	TERG South Sudan Focal Point	Global Fund
39.	Head High Impact Africa 1 Department (NI, DRC, Mali)	Global Fund Secretariat
40.	Head Grant Portfolio Solutions and Support, GMD	Global Fund Secretariat
41.	CCM Hub / CCM Evolution SI focal point	Global Fund Secretariat
42.	Policy & Program Specialist, Partnership Team	UNDP
43.	Manage, Partnership Team	UNDP
44.	Senior Manager, Policy	Gavi
45.	Director, Fragile and Conflict Countries	Gavi
46.	Senior Technical Advisor	RBM Partnership to End Malaria
47.	Senior FPM, Mali	Global Fund Secretariat
48.	Chief of Staff / Acting Head SIID	Global Fund Secretariat
49.	Head, Professional Services, OIG	Global Fund Secretariat
50.	TERG COE Focal Point	Global Fund Secretariat
51.	TRP Chair, RSSH Expert	Global Fund
52.	TRP Vice Chair	Global Fund
53.	Guinea FPM	Global Fund Secretariat
54.	Head of Grant Management	Global Fund Secretariat
55.	Strategy Committee member (WCA)	Global Fund
56.	Senior Specialist, Strategic Delivery, RSSH	Global Fund Secretariat
57.	Senior Finance Specialist	Global Fund Secretariat
58.	Grant Finance Manager	Global Fund Secretariat
59.	Coordinator, GBV Area of responsibility	GBV Coordination/UNFPA

60.	Manager of Regional Emergency GBV Advisors	GBV Coordination/UNFPA
61.	Senior Policy Officer & Deputy Head of Global and Health Social Security Division	Alternate Board Member (German Ministry for Economic Cooperation and Development)
62.	Technical Team for Global Fund German Delegation	GIZ

Annex 3: COE Designated Countries

COE countries by income, differentiation, ASP, and eligibility (May 2022)

	Country	Income	GF Different-iation	ASP 2022	Disease	Burden	Eligibility
1	Burkina Faso	LI	High Impact	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					Tuberculosis	Not High	Eligible
2	Burundi	LI	Core	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					TB	High	Eligible
3	Central African Republic	LI	Core	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					TB	High	Eligible
4	Chad	LI	Core	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					Tuberculosis	High	Eligible
5	Congo (Democratic Republic)	LI	High Impact	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					Tuberculosis	High	Eligible
6	Eritrea	LI	Core		HIV	High	Eligible
					Malaria	Not High	Eligible
					Tuberculosis	High	Eligible
7	Guinea	LI	Core	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					Tuberculosis	High	Eligible
8	Guinea-Bissau	LI	Core	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					Tuberculosis	High	Eligible
9	Liberia	LI	Core		HIV	High	Eligible
					Malaria	Not High	Eligible
					Tuberculosis	High	Eligible
10	Mali	LI	High Impact	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					Tuberculosis	High	Eligible
11	Niger	LI	Core	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					Tuberculosis	High	Eligible
12	Nigeria	L-LMI	High Impact	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					Tuberculosis	High	Eligible
13	Sierra Leone	LI	Core		HIV	High	Eligible
					Malaria	High	Eligible
					Tuberculosis	High	Eligible
14	Somalia	LI	Core	Yes	HIV	Not High	Eligible
					Malaria	High	Eligible
					Tuberculosis	High	Eligible
15	South Sudan	LI	Core	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					Tuberculosis	High	Eligible
16	Sudan	LI	Core	Yes	HIV	Not High	Eligible
					Malaria	High	Eligible
					Tuberculosis	High	Eligible
17	Iraq	UMI	Core*	Yes	HIV	Not High	Not Eligible

					Malaria	Not High	Not Eligible
					Tuberculosis	High	Eligible
18	Lebanon	UMI	Core*		HIV	High	Eligible
					Malaria	Not High	Not Eligible
					Tuberculosis	Not High	Not Eligible
19	Palestine	U-LMI	Core*	Yes	HIV	Not High	Eligible
					Malaria	Not High	Not Eligible
					Tuberculosis	Not High	Eligible
20	Syrian Arab Republic	LI	Core*	Yes	HIV	Not High	Eligible
					Malaria	Not High	Not eligible
					Tuberculosis	Not High	Eligible
21	Yemen	L-LMI	Core*	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					TB	Not High	Eligible
22	Afghanistan	LI	Core		HIV	Not High	Eligible
					Malaria	High	Eligible
					TB	High	Eligible
23	Korea (DPRK)	LI	Core	Yes	HIV	Not High	Eligible
					Malaria	Not High	Eligible
					Tuberculosis	High	Eligible
24	Myanmar	Lower-LMI	High Impact	Yes	HIV	High	Eligible
					Malaria	High	Eligible
					TB	High	Eligible
25	Pakistan	Lower-LMI	High Impact	Yes	HIV	High	Eligible
					Malaria	Not High	Eligible
					Tuberculosis	High	Eligible
26	Ukraine	Upper-LMI	Core		HIV	High	Eligible
					Malaria	Not High	Not Eligible
					Tuberculosis	High	Eligible
27	Haiti	Lower-LMI	Core		HIV	High	Eligible
					Malaria	Not High	Eligible
					Tuberculosis	High	Eligible
28	Nicaragua	Lower-LMI	Focus		HIV	High	Eligible
					Malaria	Not High	Eligible
					Tuberculosis	Not High	Eligible
29	Venezuela	UMI	Focus		HIV	High	Eligible
					Malaria	Not High	Eligible
					Tuberculosis	Not High	Not Eligible

Shaded countries are evaluation case study countries.

* Denotes countries that would be Focus countries given size and funding levels, but designated as Core due to inclusion in the Middle East Response.

Annex 4: List of COE and ASP Countries

As of May 2022

COE	Category	COE	ASP
1. Afghanistan	Core	Yes	No
2. Angola	Core	No	Yes
3. Burkina Faso	High impact	Yes	No
4. Burundi	Core	Yes	Yes
5. Central African Republic *	High impact	Yes	Yes
6. Chad	Core	Yes	Yes
7. Congo (Republic)	Core	No	Yes
8. Congo (Democratic. Rep.)	Core	Yes	Yes
9. Djibouti	Focused	No	Yes
10. Egypt	Focused	No	Yes
11. Eritrea	Core	Yes	No
12. Guinea	Core	Yes	Yes
13. Guinea-Bissau	Core	Yes	Yes
14. Haiti	Core	Yes	Yes
15. Iran (Islamic Republic)	Focused	No	Yes
16. Iraq	Core reg	Yes	Yes
17. Korea (Dem. People's Rep.)	Core	Yes	Yes
18. Lebanon	Core reg	Yes	No
19. Liberia	Core	Yes	No
20. Mali *	High impact	Yes	Yes
21. Mauritania	Focused	No	Yes
22. Myanmar *	High impact	Yes	Yes
23. Nepal	Core	No	Yes
24. Nicaragua	Focused	Yes	No
25. Niger *	Core	Yes	Yes
26. Nigeria	High impact	Yes	Yes
27. Pakistan	High impact	Yes	Yes
28. Palestine	Core reg	Yes	Yes
29. Papua New Guinea	Core	No	Yes
30. Sierra Leone	Core	Yes	No
31. Somalia *	Core	Yes	Yes
32. South Sudan *	Core	Yes	Yes
33. Sudan	Core	Yes	Yes
34. Syrian Arab Republic *	Core reg	Yes	Yes
35. Ukraine	Core	Yes	No
36. Venezuela	Focused	Yes	No
37. Yemen *	Core reg	Yes	Yes
38. Zimbabwe	High impact	No	Yes
Total		**29**	**29**

* COE Evaluation case study country.

Annex 5: Comparative Analysis with Peer Organizations

The growing realization of the importance of working in fragile and conflict-affected states is evident in organizational reviews and strategy/policy statements over the past decade. Some key documents include the **World Bank**'s World Development Report, 2011, that addressed the topic of "Conflict, Security, and Development", and highlighted fragility-related challenges; followed by a 2018 joint UN-World Bank Group "Pathways for Peace" report (2018) that shifted the approach toward preventing and mitigating FCV risks; and in 2020, Board approval of the "Fragility, Conflict and Violence Strategy (2020 – 2025)." In 2012, the **Gavi** Board approved the Fragility and Immunization Policy; this was revised in 2017 and updated to the current "Fragility, Emergencies and Displaced Populations Policy" in June 2022. The **Global Fund** found a similar path, with TERG commissioning a review of the organization's work in fragile states in 2014, followed by Board adoption of the Challenging Operating Environments Policy in 2016.

In February 2019, the Development Assistance Committee of the Organization for Economic Cooperation and Development (**OECD-DAC**) adopted its Recommendations on the Humanitarian-Development-Peace Nexus (HDPN) in order to "foster greater coherence among actors working to strengthen resilience in fragile contexts and address the root causes of humanitarian challenges."[1]

The topic has gained additional momentum with the disruptions from the COVID-19 pandemic and increasing levels of fragility and conflict. In March 2022, the International Monetary Fund's (**IMF**) Directors considered a Fragile and Conflict-Affected (FCS) Strategy for the organization, agreeing to additional resources for the mid-term budget (2023 – 2025) to support these countries. The Directors "concurred that addressing fragility and conflict is an important policy priority for the international community, especially given the disproportionate economic impact of the pandemic in FCS, and the interlinkages with climate change, food insecurity, and persistent gender disparities. Directors agreed that the implications of fragility and conflict are macro-critical and relevant to the Fund's mandate —both in terms of the long-run economic impact on members, but also because spillovers originating in FCS can undermine macroeconomic stability and growth prospects in neighboring countries and regions."

Global Fund/Gavi/World Bank

The three organizations have signed onto the OECD-DAC Recommendations on the HDPN and work jointly in some contexts. Identification of relevant countries to be covered under the policy are similar. Global Fund uses nine indicators of fragility and conflict, as well as qualitative factors to determine whether to designate countries as COE. Gavi, in addition to using internationally accepted fragility and conflict indicators, includes immunization outcomes to identify countries. Gavi defines emergencies as short-term settings that likely disrupt immunization services and includes displaced populations. The World Bank separates countries into two groups – those with high institutional fragility and those in conflict (high and medium). Fragility is measured through weak scores on the harmonized Country Policy and Institutional Assessment (CPIA) or the presence of UN Department of Peace Operations presence

[1] OECD-DAC statement accessed at: https://www.oecd.org/dac/the-humanitarian-development-peace-nexus-interim-progress-review-2f620ca5-en.htm.

and/or outmigration (population flight); conflict (med or high) is defined by the number and ratio of conflict deaths to population. In addition, the World Bank has a special category of fragile small island states. Application of the criteria in 2022 resulted in Gavi identifying 17 countries, the Global Fund – 29, and the World Bank – 31 under each organization's relevant policy, with strong overlap on the countries identified, despite differences in methodologies (see Table 1).

Common threads across the two policies and the World Bank strategy recognize the need for bespoke flexibilities and adaptive programming, depending upon the environment. All focus on both pre-planned and ad hoc flexibility in operational, financial and risk policies, with processes for requesting flexibilities approved at various levels below-Board level. None provide pre-determined flexibilities without requiring some form of a request.

Both the Global Fund and Gavi policies include emergencies (including and beyond those associated with fragile states) under the policy. Gavi is currently developing the operational guidance for its revised policy, and is considering more instructive recommendations for fragile (including conflict) vs. emergency settings. In addition, Gavi intends to follow the example of Global Fund and pre-qualify private sector actors and other partners to rapidly deploy in emergency settings. Gavi KIs indicated admiration for the work of the Global Fund COE Team and the robustness of the Global Fund COE policy for work in fragile and conflict-affected contexts. All three recognize the potential need for higher levels of funding: Global Fund for the higher costs of doing business, World Bank - security costs for staff and implementers, and Gavi – the need to substitute Gavi funds for expected co-financing in some settings.

All three note the importance of working within the humanitarian-development-peace nexus and have expanded from their traditional partners to encompass new partners, including security, peacekeeping and humanitarian organizations for these settings. World Bank sees the need to increase its in-country staff and/or presence due to the greater difficulty of managing in these contexts. All three note the importance of coordination with other organizations, particularly in settings where the government may not be able to play this role. World Bank notes the importance of building local private sector responses. Both Global Fund and Gavi underscore the importance of working with the UN and INGOs as well as the importance of greater reliance on CSOs and communities to implement programs.

The Gavi policy notes a gender lens as a principle, but also focuses that lens not just on service users (mothers and children) – but the largely female workforce that delivers immunization, and the need to "do no harm" and ensure the safety, incentives, and special considerations needed to retain these workers on the job in difficult settings. The World Bank includes a special focus on gender in its work in fragile, conflict and violent (FCV) settings with particular need to address gender-based violence. It also notes gender inequalities as a driver of as well as a result of FCV settings. While the Global Fund policy notes that addressing human rights and gender barriers to access to services is important for Global Fund objectives, it also notes that "[D]uring emergencies, the scope of Global Fund investments may be more limited, aiming to provide continuity of treatment and essential services for people affected by the three diseases, as well as to prevent and contain outbreaks"

and recommends "[L]inkages with health, logistics, protection, gender-based violence and other clusters/sectors[2], where applicable."

In terms of internal staffing for addressing the fragile country portfolios, the World Bank policy calls for increased on-the-ground presence in fragile settings and closer working through humanitarian, security and peace-building partners. Gavi has reorganized (2022), placing 12 fragile and acute setting countries under one manager with prior COE experience. The Gavi teams have on average two countries per team lead, compared to one country per lead in high-impact countries and 4 – 5 countries per team lead in core and transitioning countries. While the Global Fund Policy and OPN called for additional staffing for the COE countries, this was intersected by the broader differentiation process (hi-impact, core and focus), which left COE core countries with fewer additional staff. However, several GMD Managers have a large portion of COE countries in their portfolios, including AME, HI Africa 1 (DRC, Nigeria, and Sudan) and HI Asia (Pakistan, Myanmar). Some additional support has been provided for COE Core portfolios greater than USD 100 million (two program officers instead of one). The COE Team also provides support for CT COE portfolio management.

World Bank is unique in that it also ties World Bank staff career progression to working in fragile and conflict environments, as well as notes need for training of World Bank Group staff on programming in fragile, conflict and emergency environments.

Both the Gavi and World Bank policies note the need for higher risk tolerance with regard to investments in FCV settings, with Gavi explicitly covering the possibility of additional loss and waste. The Global Fund strategy also notes that the organization accepts that risks are higher in these environments, but the OPN subsequently focuses on means of reducing fiduciary and financial risks (e.g., assigning fiscal or procurement agents; or expanding LFA terms of reference) to ensure outcomes.

[2] Clusters consist of humanitarian organizations, both UN and non -UN, in each of the main sectors of humanitarian action, e.g., water, health and logistics. They are designated by the Inter -Agency Standing Committee (IASC) and have clear responsibilities for coordination in non-refugee humanitarian emergencies. Protection and assistance to refugees is coordinated and delivered through the Refugee Coordination Model (The Global Fund (2016) COE Policy).

Table 1. Comparison of Policies across organizations

	Global Fund	Gavi	World Bank
Fragile and conflict-affected states policy	2014 TERG Review of fragile states 2015 Board approves strategic framework 2017 – 2022 with subgoal to "improve effectiveness in COEs through innovation, increased flexibility and partnership" **2016 COE Policy** 2017 OIG Review of Grant Management in High Risk Environments 2017 COE OPN 2019 OIG Review of Grant Implementation in WCA 2022 TERG Evaluation 2022 OPN revised (TBD)	**2012 Fragility and Immunization Policy**: flexibilities requested by country government and/or GAVI implementing partner (WHO/UNICEF) **2017 Revised Fragility and Emergencies Policy** 2018 Revisions **6/2022 Fragility, Emergencies and Displaced Populations Policy** Revised; more emphasis on IDPs and contracting with pre-qualified INGO service contractors 2022 OPN TBD	2011 World Development Report, *Conflict, Security, and Development*, highlights fragility-related challenges. 2018 joint UN-WBG *Pathways for Peace* report further shifts approach to prevent and mitigate FCV risks. **2/2020 Fragility, Conflict and Violence Strategy (2020 – 2025)** 7/2022 Revised FCVS Strategy
Principles	Flexibility – for responsiveness and timeliness Innovation – may include PSM, partnership arrangements and service delivery mechanisms. Partnerships - recognizes the need to optimize the types of partners to strengthen in-country governance, enhance service delivery, and improve technical assistance	Flexible, tailored responses, principles: Simplicity of response Timeliness: particularly in acute emergencies Differentiated interventions (sub-national and community-based) Gender focussed Complementarity and coordination Integration of services Higher risk-appetite Adherence to humanitarian principles (e.g., do no harm)	Update **policies** to engage in humanitarian and conflict settings **Program** to address drivers of FCV and *adapt* implementation and supervision approaches to fit FCV contexts, inc. private sector **Personnel:** strengthen on the ground presence and link between FCV experience and WB career development Step-up **partnerships** with humanitarian, development, peacebuilding, security orgs on the ground.
Definition	Nine fragility and conflict indices and qualitative factors.	Includes both fragility and/or conflict indices,	Fragility/Conflict: Weak CPIA for IDA or presence of DPO and

	Emergency: An event or a series of events has resulted in a critical threat to the health, safety, security or well-being of a large group of people. It can be the result of an armed conflict and coup d'état, natural disasters, epidemics or famine, and often involves population displacement.	and immunization outcomes; Emergency defined as short-term settings that likely disrupt immunization services, provides one-off flexibilities for time-limited situations/events that prevent a country from applying for or implementing already existing Gavi support and/or that threaten already attained immunisation achievements	or population flight; conflict (med or high defined number and ratio of conflict deaths to population). Operational Policy (OP)7.30, *Dealing with De Facto Governments*, provides the framework for reengagement after an unconstitutional transfer of power.
Reporting on Policy	COE Policy, Annex 1, Section 5, Oversight: The Secretariat will provide regular updates to the Board and its Committees on the implementation of the Policy, including how flexibilities have been exercised.	Periodic review and revision.	Annual updates to the Board; mid-term review of strategy operationalization end of 2022; IEG evaluation 2024
Differentiation	Emergency and COE (Acute and chronic COEs differentiated in practice)	Chronic fragility Acute Emergencies Displaced Populations Separates 5 high-impact countries that are also COE into HI group.	Social and institutional fragility or conflict (medium and high)
Key flexibilities	Reporting timing M&E Indicators Co-financing Reprogramming Others as requested	Participatory process in determining flexibilities Additional funding Additional TA Reprogramming Delayed M&E timing Partners (bilateral donors, NGOs, CSOs) Co-financing waivers	Security costs
# of countries June 2022	**29**	**12** (+ 5 high-impact countries)	**31***

* Does not include small-island states included in WBG fragility classification.

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Annex 6: Disease-specific considerations

While systems issues are recognized as the most important constraints to addressing the three diseases in COE contexts, the following boxes discuss disease specific findings from the evaluation. As noted in the Introduction (Section 1.1), in 2022 COE countries represent 28% of the Global Fund's total investment (nearly USD 16 billion)[3], and in 2020-2022, COEs account for 52% of the malaria burden, 24.2% of tuberculosis (TB), and 13.3% of HIV.[4]

Malaria programming in COEs

"The accountability requirements for bed nets lost is seemingly the same for a COE and a non-COE country. So, there's high and intolerant appetite for bed nets lost when you know that people are on the move, trucks could be robbed, etc. While we know these are the risks, we don't necessarily give anyone a break, which stifles innovation, and places undue burden on PRs and SRs who are trying to deliver services. If we can get the nets out to the population, we should be extremely happy and be thinking about how we can get to them again."

~ Secretariat key respondent

Contextual issues

Malaria can be described as "a canary in the coal mine[5]" – an indicator of failing health systems, and combatting malaria in failed or failing states poses additional risks and challenges. Global Fund estimates that 52 percent of global malaria burden[6] and 44 percent of the Global Fund malaria portfolio (NFM3) by dollar amount is in countries classified by the Global Fund as COE.[7] Many COEs – particularly in WCA – carry some of the world's highest malaria burdens. In conflict or crisis settings, health systems often fall short – or fail, including the community health worker systems that provide much of the malaria prevention and treatment services. Malaria cases can quickly increase, undoing years of effort and investment. The costs of doing business are also often significantly higher in these contexts, particularly for malaria programs that must move bulky items such as bed nets to remote or insecure and conflict-affected areas.

Effective use of flexibilities and partnerships

Among the CCS, there were good examples of effective use of COE flexibilities to overcome malaria program challenges, particularly around commodities and bed net distribution. In Mali, these included allowing for buffer stocks for ACTs and RDTs

[3] Global Fund Data Explorer, as of the June 2022 disbursement. Note that this figure drops to 18% if only two countries – DRC and Nigeria – are excluded.
[4] Based on the disease burden according to the Global Fund allocation model approved by the Board.
[5] https://www.theglobalfight.org/expanding-programs-malaria-free-world/.
[6] Estimates using the Board approved Global Fund allocation model (2020), 52 percent of the global malaria burden is in COEs. However, WHO (2022) estimates that more than 45 percent of world malaria deaths occurred in just two COE countries: Nigeria (31.9%) and DRC (13.2%).
[7] Evaluation Team estimates from Global Fund provided data indicate that Nigeria and DRC account for 25% of the total funding for malaria in NFM3.

(even at the risk of expiring commodities), how commodities are moved, and where they are delivered to, and modifications to standard methodologies for mass campaigns (bed net distribution or seasonal malaria chemoprevention campaigns) – including the verifications required. South Sudan used flexibilities to allow for an alternative reporting mechanism, and pre-positioning and airlifting of bed net stocks, with the case study concluding that bed net distribution would not have been possible without these flexibilities.

Mali and South Sudan also used partnerships with humanitarian NGOs to reach otherwise inaccessible areas. South Sudan also used fee-for-service contracts with the private sector, alongside third-party monitoring for bed net distribution in conflict-affected areas, refugee/IDP camps, and remote communities. The country actually achieved higher bed net coverage among IDPs (75–84%) than for the general population (63%). Niger worked with UNHCR and IOM to reach people that existing Global Fund partners could not. In Somalia, providing bed net distribution partners with a limited liability clause also ensured that grant implementation was possible.

Looking ahead

While many examples exist of both flexibilities and partnerships being used to support malaria programming, these do not appear to be well known in all countries. The evaluation team observed countries and partners wondering whether certain flexibilities might be possible to unblock their programs when it has already been done elsewhere. Sharing these examples in a way that facilitates adaptation and replication may support other countries increase malaria program effectiveness.

TB programming in COEs

Contextual issues

Public health programs provide the majority of TB diagnosis and treatment worldwide, with TB services particularly dependent on national supply chains and laboratory networks. These elements are often weak in COEs due to insecurity, limited investment in infrastructure, and limited HRH. This impedes these countries from adopting new technologies at the scale necessary to make a difference. Flexibilities to support HRH have been used in some countries (e.g., CAR and South Sudan). The costs of supporting TB programs in COEs can also differ from non-COEs; for example, in Niger transportation accounts for 32% of the TB grant due to security challenges and distances. MER faces challenges where TB services may be unavailable during conflict, and finding cases can be particularly costly as the burden decreases. TB prevalence is higher among refugees than in the host country citizens (e.g., Jordan), which may be ill-equipped to meet needs.

Multi-sectoral partnerships

Communities play an important role in TB, particularly in finding cases and linking people to services, and providing ongoing support. This can include sending

money, which can be challenging to do safely in COEs. This role is particularly important when reaching out to KPs. However, countries such as Mali demonstrate that progress is possible, which has seen an increase in the number of TB contact cases who started preventive therapy, and the percentage of registered TB patients with documented HIV status. Communities played a role in this, for example, using Global Fund-funded mobile radios to start community-based detection of TB patients. In Myanmar, treatment, diagnosis and outreach services provided by public facilities stopped, and case notification halved. Flexibilities were used to engage the private sector to provide these services, although its costs are unsustainable. Some SRs were also provided with diagnostic equipment, insurance and staff.

Systems strengthening

Successful TB programming depends on a strong health system. In some countries, the COE policy has been used to develop new partnerships, such as in South Sudan, where the National TB Program has enlisted the support of multiple NGOs to ensure services are available where national services are not reliable, and is also rolling out a community-led health package. Yet despite these efforts and the inclusion of IDP coverage in recent Global Fund funding requests, TB incidence has stagnated, and case finding and treatment remain low.

Innovations

The Global Fund developed a regional program to address the needs of migrant, refugee and displaced persons in South-West Asia. The program, managed by UNDP, provides TB/MDR-TB interventions among millions of Afghan refugees, returnees and mobile populations in Afghanistan, the Islamic Republic of Iran and the Islamic Republic of Pakistan (US $5 million; allocation period of 2019 – 2021). In addition to supporting service delivery, the program has developed a cross-border TB platform (including innovative tracking), a cross-border TB strategy (2021 – 2023) and regional guidelines for cross-border TB prevention and care in South-West Asia.

Looking ahead

Learning lessons from TB program responses during the COVID-19 pandemic may be useful. The Global Fund brings TB partners from WCA together periodically to share experiences and lessons learned. Future meetings could explore the COVID-19 experience, and how flexibilities could be used to support and scale-up successful pandemic-related innovations, such as outreach campaigns; mobile clinics; digital solutions for supervision, training and meetings; and multi-month provision of drugs. One stakeholder also proposed using the TB response during COVID-19 to extract lessons for pandemic preparedness in COEs.

HIV programming in COEs

Contextual issues

The risks facing HIV-relevant key populations (KPs) are often heightened in COE contexts - KPs or their behaviors are often stigmatized and/or criminalized, and there are risks for the health and community workers who serve these populations. The status of women is often marginalized, and risks of GBV and sexual exploitation and harassment (SEAH) of the most vulnerable (regardless of gender or age) can be particularly acute during crises, also resulting in higher risk of HIV transmission (see Box 13: GBV). The Global Fund and its partners may not find COEs willing or open to dialog on issues of human rights and gender, and programs may need to deliver services in innovative ways to reach hidden – and vulnerable – clients without risking their exposure. As one Secretariat KI stated, "They [COE settings] are often the perfect conditions for HIV transmission: people thrown together with no money, and no power." For many of these settings, focus has been on maintaining access to treatment, with attention to availability of ART supplies; however, this tends to leave other critical commodities such as condoms and pre- and post-exposure prophylaxis kits and prevention programs even more difficult to access.

Rights, gender and equity

There are a number of ways that COE antipathies to rights, gender and equity constrain HIV services. For example, the epidemics are often poorly understood as many countries lack timely, valid assessments (CAR, MER). Insecure field conditions and stigmatization make data collection difficult and costly, meaning investment in needed information is not prioritized, resulting in insufficient information for cost-effective programming. Outreach by CSOs able to flexibly respond to rapidly changing situations is often needed. For example, in Niger, a CSO uses a mobile team to reach transient sex workers along the Niger-Nigerian border, adapting its plans daily as needed. This is funded by another partner, as the Global Fund's documentation requirements, planning expectations, and approval timelines are considered incompatible with the nimbleness needed for implementation. Also as noted above, direct dialog on human rights may not be productive, so alternative means, such as regional programs, are needed.

Systems strengthening

Many of the challenges faced by HIV programs in COEs are systems related – and affect heath programs more generally: the need for community systems; robust commodity supply chains to avoid stock outs; functioning lab systems that can meet the needs of sparse and remote as well as teeming urban populations; human resources and accessible health settings that can meet needs from prevention across the continuum of care. The evaluation found some good examples of Global Fund addressing these gaps in COE programs. Key informants pointed to the active and courageous role that civil society in Ukraine has played since the beginning of the war (2022) to ensure that PLHIV maintain access to the services they need. This has been possible because of the long-term investment by the Global Fund and others in strengthening community systems, which are proving to be effective and resilient. To stem human resource flight and improve outputs from the health sector, Global Fund provides salary incentives (a COE policy flexibility) in CAR and South Sudan. In some cases, the COE policy has been used to work with a variety of partners to cover HIV commodity management gaps, such as in Myanmar, which works with private transporters, CBOs, NGOs,

and WFP to move stock, and has set up dispensing "wherever" possible, using social media to connect people with services (see Box 9: The Role of Communities). However, many of the programs were responding to a crisis or a setting, without clear strategies and steps for strengthening sustained capacity to deliver services and move forward.

Looking ahead

Expansion and sustainability of HIV programs in COE settings will be determined by the ability to reach and maintain connections to populations at risk, while "doing no harm," i.e., not putting service clients in greater danger by exposure. This will remain a challenge for many of these settings where progress on human rights and gender is likely to be arduous and slow, and health systems remain weak. Sharing good examples – both for providing efficient, targeted and where possible, sustainable services as well as for making progress on the rights dialog - will be critical to addressing HIV in COE settings. The COE policy's added flexibilities, new-partnerships and openness to innovation can provide the opportunity for Global Fund and partners to experiment with ways of delivering these life-saving services in hostile and acute conditions, and in some of the world's least resourced settings. The TAP's expanded discussion of HIV in COE contexts in its upcoming information note on HIV for NFM4 and participation in developing guidelines for HIV service continuity in emergencies are important efforts in this regard. Additionally, the Global Fund should consider requiring SEAH assessments for COE designated countries given particularly high risks in these settings and an opportunity to learn how SEAH might be best addressed. Funding for activities and capacity building needed to ensure full compliance with the SEAH framework across PRs and SRs should be provided within the grants as needed. Efforts should also be made to address GBV where prevalence is high and/or in contexts where GBV is a driver of HIV transmission.

Annex 7: Forced displacement in COEs

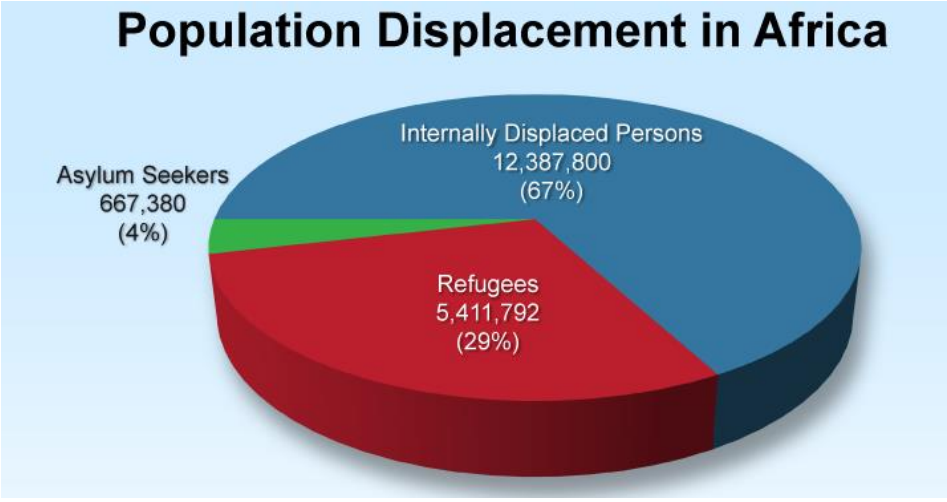
Why are forced displacements an issue in COEs?

The increase of forced displacements over the past 10 years creates human emergencies:

A decade of political upheaval in the **Middle East and North Africa has generated levels of displacement never seen before,** according to the latest report by the Internal Displacement Monitoring Centre (IDMC). An estimated 12.4 million people are currently internally displaced across the region, among whom 7.9 are refugees and 4.5 are internally displaced people (IDPs).

Africa also experienced another record year of forced displacement in 2021, continuing a steady upward trend since 2011. More than 32 million Africans are either internally displaced, refugees, or asylum seekers – up from 29 million a year ago. Ten African countries account for 88 percent (28 million) of all forcibly displaced people on the continent. Each of these countries of origin are in conflict, representing a combination of government repression against citizens, extremist group violence, and the militarization of politics. Seven of the ten have governments that are autocratically leaning.

- With over 6 million forcibly displaced people, **the DRC has at least a third more displacement than any other country in Africa.**
- **South Sudan has nearly 4 million people forcibly displaced out of a total population of 11 million**, making it the African country with the highest proportion of its population displaced. It is also distinctive in that the majority of its forcibly displaced are refugees and asylum seekers, living mostly in Uganda, Sudan, and Ethiopia.
- **Ethiopia saw the largest jump in its forcibly displaced population in the past year, with an estimated 1.8 million people** dislocated due to the conflict in Tigray. Ethiopia simultaneously hosts over 800,000 refugees from surrounding countries.
- **Nigeria** faces a range of destabilizing security threats. In the Northeast region, violent attacks by Boko Haram and the Islamic State in West Africa have resulted in the **displacement of 2.5 million Nigerians**. Kidnappings, extortion, and organized criminal attacks in the Northwest have displaced an additional 800,000 people.
- **Sudan, with 2.5 million of its own internally displaced, is also hosting 1.1 million refugees**, mostly from South Sudan and Eritrea.
- **Burkina Faso** has experienced an explosion in its forced displacement crisis. **Its 1.2 million displaced population represents a nine-fold increase from 2019.**
- **Mozambique, the only southern African country facing a major displacement crisis, saw a tripling in its displaced population,** increasing from 211,00 to 668,000 people in the past year.



Source: African Center for Strategic Studies, 2020;

Of the 32 million forcibly displaced people in Africa, three-quarters are internally displaced (24 million IDPs). This means that most displaced Africans have fled to the first safe refuge, without crossing any border, and that their protection is still the origin country's responsibility.

Due to conflict or violence, IDPs can experience profound health impacts and tend to experience worse health outcomes than other conflict-affected populations. There is little literature on the specific health needs of IDPs, especially when compared with

cross-border migration in general, and refugees in particular. The first peer-reviewed research on health-related studies in IDP populations globally was published in 2021 and showed interesting findings:

- **Most research relates to encamped IDP populations rather than those settled in local communities**, and to IDPs in African countries (these trends are connected, since IDPs are more easily identifiable and thus easier to research when they are in camps than when hidden among the local population; and most IDP camps are in Africa). This represents a potential bias since, globally, the vast majority of IDPs do not live in camps.
- **IDPs seem to be drawn principally from relatively poor and marginalized zones, where conflict and violence are concentrated in the country**. They tend to displace for relatively short distances, at least in the first instance, often within the same region of the country and most of them have been displaced only once. The vast majority of IDPs live in host communities rather than camps, with less than 1% living in managed camps and another 11% living in self-settled camps, mainly in sub-Saharan Africa. Finally, compared to other populations (including internal migrants), IDPs experience significantly worse poverty and labor market outcomes. These effects can be long-lasting, with IDPs often over-represented among their country's poor and extreme poor (Cantor and Wooley, 2020).
- **IDPs also experience greater rates of illness and death** than the baseline in their country. This discrepancy may come from the fact that internal displacement exposes IDPs to new hazards that result from their new environment (such as new infectious agents), from the poor conditions en route or in the new settlement, and from the trauma of being forcibly displaced, compounded by the loss of their assets and social/support networks. Indeed, studies over the past twenty years across a range of health issues and regions bear out this claim.

How does displacement affect the Global Fund's mission?

- **IDPs remain in their country and thus remain exposed to direct and indirect risks and impacts of the conflict**, including on health services and the economy, whilst refugees have greater access to protection and assistance outside the country;
- **90% of IDPs are women, children and aged people, who can be more at risk of experiencing violence and abuse**;
- **Global Fund's investments are most needed as IDP assistances are poorly funded**: the international community is less interested in IDP than refugee situations, resulting in less assistance and attention paid to IDPs. INGOs interviewed during the evaluation acknowledged that funds to address IDPs needs are decreasing and that the Global Funds' grants represent a huge opportunity to deliver services;
- **The minimum package of services delivered by INGOs usually cover iCCM, nutrition and primary health care, but usually not malaria, HIV and TB**. Nevertheless, experiences in South Sudan and Mali show that it is possible to integrate these services in the minimum package, as IDPs remain stable and most of them leave in the community.

- **The number of displaced people is expected to continue to grow, not only due to conflict, but also increasingly due to climate change**. Climate-related hazards are currently causing an estimated 23 million displacements each year, mostly within their home countries.[8]

Interconnection between HIV and displacements
The extent to which conflict and displacement impact HIV transmission depends on a large number of competing and interrelated factors: loss of livelihoods, access to education, type and duration of conflict, the living conditions of IDPs (whether in formal or informal settlements), the context of their new location, access to health services, including reproductive and sexual health and HIV programs.
These factors also have direct implications for vulnerability to HIV. The quality of life of individuals and communities is a key factor in determining their vulnerability to HIV infection and in determining their ability to control their own health. Factors related to the quality of coverage of services and programs also influence vulnerability to HIV. The characteristics of the HIV epidemic, prevalence among local populations, interactions with armed forces, sexual violence, and risk behaviors associated with the new living conditions of IDPs have a direct influence on the risk of HIV transmission.
Situations such as DRC or Afghanistan show that IDPs are particularly vulnerable to sexual violence, forced marriages, physical and psychological violence, which increases the exposure to HIV.

How could the Global Fund respond?

- **Partner** with UNHCR, UNAIDS and IOM at the international level to frame the collaboration and the investments that the GF is ready to make.
- **Ensure a systematic representation of the CCM/PRs in the Health and the protection Cluster at the country level** to access the information on their needs and connect with the organizations that support IDPs and have the expertise and contact as potential partners;
- **Develop an information note for the seventh replenishment cycle on IDP needs** in COEs and how to assess them and include them into the funding request. This note may include:
    - **Tools to assess the IDPs needs in terms of the three diseases**. The Inter-Agency Task Team to address HIV in Humanitarian Emergencies produced a tool[9] to conduct rapid assessments on HIV for displaced people that should be largely distributed and used before the country dialogue starts.
    - Guidance on how to approach IDPs communities and NGOs used to working with them, especially in non-camp settings
- **Elaborate packages of care for the three diseases and GBV to be proposed in the modular framework.** They may be adapted once the rapid assessment is conducted, and should include a prevention package in contexts where information is scarce.

[8] UNHCR 2021
[9] Inter-Agency Task Team to address HIV in Humanitarian Emergencies, Assessment of HIV in Internally Displaced Situations, September 2011, Rome.

Annex 8: Gender-based violence in COEs

Why is gender-based violence a key issue in fragile contexts and conflict settings?

- **Conflict settings**: internally displaced people and refugees have a high risk of GBV due to their vulnerability. GBV can take various forms including rape, forced and child marriages, or sex-selective genocide, with brutal long-lasting consequences for all genders and age groups. The risk of human trafficking also increases in fragile situations with the majority of victims being women and children. People who identify as LGBTQI are also especially vulnerable to sexual abuse and violence during times of conflict. In Syria and Iraq, for example, homosexual men are being brutally executed. In several countries, lesbian women have been subjected to 'corrective rape' by men to 'cure them'. Men and boys are also a key target population for prevention of GBV, and they can be both perpetrators and victims of violence.
- **Unstable contexts and weak governance institutions:** many countries where insecurity is prevalent are suffering governance trouble, with a difficulty to ensure the rule of law. Human rights are breached with impunity, and the most vulnerable population (among them children and women) are usually the first victims. There is usually a direct nexus between the lack of gender equality within the country in general and within ethnic communities in particular, and the prevalence of sexual and gender-based violence. Impunity for gender-based violence is exacerbated by underlying gender inequality. Ethnic women and girls are doubly victimised: as women and girls and as members of ethnic minority communities.

How does GBV issue affect the Global Fund's mission?

- **Key and vulnerable populations are the most at risk**
- **There has been a dramatic increase in the global number of rape survivors in the last three years in unstable settings. Countries chosen for the COE evaluation all show this trend relate to the degradation of the security situation:** In CAR, the UN system for GBV reporting (GBV IMS) shows an increase in both GBV (1,592 in 2021; +23%), and sexual violence (2,898 cases reported; +235%). In Mali, UNFPA and the CNDH (*Comité National des Droits Humains*) have sounded the alarm on the continuing increase in the number of cases of sexual violence (1,131 in 2021 Mali). In Niger, a rapid survey among the NGOs and UN agencies revealed 2,628 cases of sexual violence. In Yemen, since the conflict started, child marriages have increased by 11% compared to 2015, sexual violence by 35% since 2018 and physical assault by 50% since 2018.
- **The consequences on the physical and mental health of KVPs are serious:** and include both medical (HIV and STIs transmission, unwanted pregnancies and illegal abortions, fistulas), and psychosocial issues (PTSD, depression, anxiety are the most common symptoms for rape survivors who are also discriminated from the families and communities).

What is the connection between rape and HIV/STIs?
Studies have shown a clear relationship between HIV and sexual violence, which is more likely to occur in COEs due to weak rule of law, and higher instances of vulnerability, particularly among women and children:
- In Ethiopia, a study showed that the chances of having HIV was 1.97 times higher among women victims who have a history of lifetime partner violence when compared with women who are not victims.[1]
-In South Africa[2], a comparative study showed that women exposed to rape had a 60% increased risk of acquiring HIV compared with those not exposed.
CDC listed the factors that seriously increase the risk for STIs and HIV transmission during rape: Bite injuries, multiple offenders, vaginal and anal penetration, genital trauma and/or vaginal or anal tears, the presence of sperm or semen in/around the vagina or anus, offender(s) that are injection drug user(s).
[1] Fatuma Hassan, Ngussie Deyassa, The relationship between sexual violence and human immunodeficiency virus (HIV) infection among women using voluntary counseling and testing services in South Wollo Zone, Ethiopia, 2013 Jul 15. doi: 10.1186/1756-0500-6-271, National Library of Medicine.
[2] Abrahams, Naeemaha,b; Mhlongo, Shibea; Dunkle, Kristin, etc, Increase in HIV incidence in women exposed to rape, AIDS: March 15, 2021 - Volume 35 - Issue 4 - p 633-642, doi: 10.1097/QAD.0000000000002779

How could the Global Fund better address these risks in COEs?

1. **Ensure a systematic representation of the CCM/PRs in the sub-cluster Gender-based violence** led by UNFPA, in order to receive the information on GBV, be aware of the needs, and became a partner where needed, as decided by the CCM and the implementation partners;
2. **Develop an information note for NFM4 on GBV in COEs that includes:**
    a. **A prevention package in conflict settings,** where access to information and health services is limited, and implement a systematic prevention package through one of the PRs, or through the NGOs working in COEs and conflict settings;
    b. **Training of PRs and SRs** to prevent, identify, manage, and refer cases of sexual abuse survivors. This should pay particular attention to key population CSOs that are usually not integrated into international networks such as UN Clusters, so that they are empowered to work on GBV among their groups.
3. **Ensure the provision of the minimum package of sexual and reproductive health activities designed by UNFPA**, that covers the prevention and response to sexual violence, the prevention of transmission of HIV, the prevention of maternal and new-born mortality and prevent unwanted pregnancies, ensuring the availability of the 12 kits, the training of the staff and the reporting of the information.

Annex 9: Findings by Evaluation Question

The following table presents findings against each evaluation question (EQ), mapped against the evaluation objectives and assessed for the strength of supportive evidence.

Findings by Evaluation Question	SoE
Objective 1: To evaluate how the COE policy has been operationalized across the Global Fund COE portfolio and assess how the COE policy contributes to enhancing or impeding the Global Fund strategic and disease priorities.	
EQ 1.1 To what extent has the operationalization and implementation of the Global Fund COE Policy been effective in achieving national program goals and objectives?	
1. Quantitative evidence suggests performance gaps in grant implementation and in service delivery outcomes between COE and non-COE countries have narrowed (as of 2021), however C19RM absorption has been lower in COE than non-COE countries.	
2. COE designation is widely accepted as a useful and appropriate means of differentiation by Secretariat, Board, TERG, and TRP.	
3. Despite sensitization of the Secretariat – particularly the CTs and TRP on the complexities of working in COEs, actual tailoring of approaches to these environments is not consistent.	
4. The COE Team is functioning, evolving and providing leadership on COE approaches, and bringing necessary expertise to better to support CTs and Secretariat.	
5. Global partners and in-country stakeholders have limited awareness of the COE policy and the flexibilities provided.	
6. The policy expectation that country teams and stakeholders will propose necessary flexibilities has not been realized.	
7. The policy and OPN are seen as a tool to support CTs rather than country level implementers.	
8. COE grant portfolios can obtain flexibilities other than through the COE policy – particularly High Impact countries.	
9. The multiple channels for flexibilities are not tracked centrally, making the benefits of the COE policy less clear.	
EQ 1.2 To what extent have the activities supported by Global Fund investments in COEs been relevant to address the needs of COEs in their diversity?	
10. There are many examples of HIV, TB, and malaria services being maintained – and even expanded – in COEs as a result of strategic partnerships.	
11. There has been insufficient investment and support to address gender-specific access to services, particularly SRRH and GBV.	
12. Inconsistent consideration of forcibly displaced, mobile, and migrant populations, with migrants being particularly neglected.	
13. Insufficient support for long-term capacity strengthening of national systems and partners.	
14. Lack of technical guidance from partners specific to COE contexts – particularly for acute emergency settings. The Secretariat is currently updating information notes to address this.	
EQ 1.3 How have catalytic investments and regional approaches been utilized to address COE issues? What are the advantages/disadvantages of these approaches? Are operational and programming guidelines sufficient to ensure COE disease burdens are addressed where they impact beyond country boundaries or COE settings within countries?	

Findings by Evaluation Question	SoE
15. The Emergency Fund has been a source of rapid, flexible and critical investment, including in COEs.	
16. The MER is an innovative approach to including countries that would otherwise be ineligible to address shared challenges, particularly for displaced populations.	
17. While no SIs target COEs specifically, all case study countries (with the exception of MER) benefit from SIs, particularly human rights, Data, PSM, and sustainable financing – all significant challenges in these contexts.	
EQ 1.4 To what extent have the Global Fund's COE Policy and investments in COEs influenced national strategies and policies? Have there been unintended consequences (positive or negative) of the Global Fund investments in COEs and if so, how can they be mitigated?	
18. Strengthened ties with humanitarian partners along the humanitarian-development continuum.	
19. Positive examples of contributions to results by community-led responses, partly enabled by the COE policy, particularly in response to COVID-19.	
20. Combination of COE and ASP has the unintended consequence of disempowering government and creating tensions between the implementers and government.	
EQ 1.5 To what extent has the Global Fund invested in RSSH in COE countries and what is the impact of these investments on the three diseases, their management and place in the country's health system? To what extent is sustainability of these taken into consideration for continued program implementation and impact?	
21. Strengthening RSSH – rather than support – appears deprioritized in COE investments, and RSSH grants disburse slowly.	
22. Where systems are weakest, countries are more likely to be under ASP, resulting in a lack of clarity on the use of flexibilities.	
23. Little consideration of sustainability, particularly in Core countries.	
24. Limited/insufficient focus on capacity strengthening of national institutions and partners.	
25. Lack of flexibility in Global Fund human resources budgeting policies constrain flexibilities needed to address severe human resource constraints.	
Objective 2: To assess implementation of the COE policy against the three principles governing Global Fund investments in COEs, i.e., flexibility, partnerships, and innovation.	
EQ 2.1 How and to what extent has the Global Fund COE Policy been adequate and/or been adapted, according to the COE portfolio classification, to capture ever changing country contextual issues and challenges? How robust is the COE policy in terms of responsiveness and flexibility?	
26. Global Fund processes are complex time-consuming and particularly punishing for Focus and Core Country Teams, and this is not addressed by the way the COE policy is operationalized, with high human costs.	
27. Some respondents – particularly from Core and Focus country teams – report that the effort to access COE flexibilities is too great and is seldom justified by the benefit.	
28. Many country stakeholders and global partners perceive the COE policy as designed to benefit the Country Teams.	
29. More examples of receiving flexibilities through alternative mechanisms (e.g., High-impact portfolio or C19 RM), rather than through official COE policy requests.	

Findings by Evaluation Question	SoE
30. While the policy allows for significant flexibility, its use has been limited and inconsistent.	
EQ 2. 2.2 How and to what extent have innovations and/or innovative health services delivery approaches supported by the Global Fund been effective in supporting the achievement of program goals/objectives? If not, why and what reprograming innovations can be employed to enhance program performance and impact?	
31. Innovation efforts are limited by the time needed to manage Global Fund grants, which is not fully alleviated by COE flexibilities.	
32. The lack of a shared understanding of acceptable risk within the Secretariat, implementers and LFA hinders innovation.	
33. Unclear understanding of what constitutes innovation in COE contexts by implementers and partners (e.g., what is innovative for the Global Fund vs. what is innovative in humanitarian settings).	
34. Good examples of innovations include CAR data systems, CAR multi-country approach, Mali implementation by humanitarian partners, innovative community responses in Myanmar.	
35. Innovations in service delivery often constrained by zero-cash policy and other safeguards.	
EQ 2.3 To what extent have the flexibilities described in the Operational Policy Note been effective in terms of responsiveness and timeliness in overcoming program implementation bottlenecks?	
36. Flexibilities have addressed administrative and reporting bottlenecks, more than program implementation bottlenecks.	
37. Grant implementers (PRs, SRs and contractors) feel constrained by lack of flexibility and some are deterred from participating by Global Fund administrative requirements.	
38. Approval timelines can be too slow to support program needs, particularly in rapidly changing contexts.	
EQ 2.4 How and which key partnerships, coordination and implementation arrangements have been effective in enhancing attainment of program goals/objectives in COEs? What are the strengths and weaknesses of these partnerships? What are the trade-offs, if any, that underlie selection of partners in COE settings? Do key partners share the Global Fund's objectives, including in the area of human rights and gender?	
39. PR, SR, service contracts with NGOs and UN agencies and use of pre-qualified partners has supported grant performance where roles and responsibilities are appropriately assigned.	
40. The COE Team has been an important bridge between the Global Fund and humanitarian actors.	
41. Important but inconsistent participation of humanitarian partners on CCM, or participation of Global Fund PRs in humanitarian forums, e.g., health cluster.	
42. Country-level partnerships with organizations such as WFP and IOM, are strong in a number of COEs, with opportunity for deepening at the global level.	
43. Partnership with UN Foundation demonstrated improved coverage of forcibly displaced populations between the 2019 and 2021 reports.	
44. Many humanitarian partners have strong human rights and safeguarding mechanisms in place.	
45. There is a need to cascade understanding of PSEAH and GBV to SRs and local partners.	
Objective 3: To assess the effectiveness and efficiency of grant implementation in the COE portfolio and to articulate initiatives in reprogramming; evaluate program	

Findings by Evaluation Question	SoE
performance in COE portfolio and risk assessment for Global Fund investments in COE context.	
EQ 3.1 To what extent has the operationalization and implementation of the COE Policy been effective in achieving the Global Fund sub-objective to "improve efficiency and effectiveness of grant design and grant implementation in Challenging Operating Environments?	
46. Effectiveness of policy during implementation partly depends on CT's willingness to request flexibilities.	
47. The policy appears to have been more utilized and effective in acute emergencies than chronically unstable settings.	
EQ 3.2 How has operationalization and implementation of the Global Fund COE Policy improved the efficiency of grant implementation in COEs? What could be improved in the future?	
48. Use of the policy appears to have favored (administrative) efficiency over (programmatic) effectiveness.	
49. Appears to be a missed opportunity for CT to engage country stakeholders on possible flexibilities to support implementation at the grant making and reprogramming stage.	
EQ 3.3 How and to which extent do program design and implementation guided by the COE policy recognize and address inequity in access to HIV, TB and Malaria services amongst those disproportionately affected Key Populations (KPs), e.g., forcibly displaced people as highlighted by the COE KP thematic review.	
50. The policy creates the opportunity for partnerships to address inequity – particularly for forcibly displaced populations – but has been used less to address other mobile and migrant populations and other KPs.	
51. While good examples exist in COEs to ensure access to services to KVPs, the list of approved flexibilities focuses more on process than impact.	
EQ 3.4 How and to what extent has the COE policy operationalization contributed to remove human rights related barriers to accessing health care services for key and vulnerable populations while ensuring safety and security for key populations programs (for both the 'clients' and the implementers)? How robust are the COE policy and operational guidance on ensuring that programs are designed and assess risks to "do no harm"?	
52. CRG concerns can be deprioritized in COE contexts, where service delivery becomes paramount.	
53. Lessons learned from community-led responses (especially as a result of long-term investment) show importance of maintaining attention to these efforts.	
EQ 3.5 To what extent has the oversight of the implementation of the COE policy been effective and how has this contributed to effectiveness and efficiency in use of the COE policy?	
54. Appreciation for the team, their understanding of COE contexts, and brokering partnerships.	
55. Pros and cons of centralization of partnership management.	
56. Little requirement for reporting on COE situation and progress. Few reports to Board or other stakeholders on progress.	
Objective 4: To assess the impact of the COVID-19 pandemic in the case study countries and COE policy implementation including program adaptability of the three diseases to COVID-19 for lessons learned to inform pandemic preparedness and response in COE contexts.	
EQ 4.1 To what extent are the COE policy and guidance robust to absorb additional impact of the current and future pandemics?	

Findings by Evaluation Question	SoE
57. Policy is robust, but requires additional involvement of country stakeholders to propose needed flexibilities.	
58. Consideration needs to be given to providing additional funding and lifting or lightening some ASP financial restrictions.	
EQ 4.2 How and to what extent has the COE policy allowed/supported community-led and based organizations to 'step up the fight' (i.e., to receive direct funding from Global Fund) where governments are overwhelmed or incapacitated for program implementation?	
59. Good evidence found of community organizations stepping up – particularly during COVID-19 – even in COEs.	
EQ 4.3. How and to what extent has the COVID-19 pandemic impacted performance of Global Fund grant implementation? How is the COVID-19 impact on COE portfolio different from non-COE countries? What are the lessons learnt in terms of pandemic preparedness in COE context?	
60. Impact of COVID-19 on COE countries varied, depending on country-specific factors, e.g., government response measures, strength of national system, community and civil society capacity, partner response etc.	
61. KIs report that reporting and administrative requirements of C19 RM funding are particularly onerous for COEs, given limited capacities.	
62. Disbursement of COVID-19 funding lags in COE vs non-COE portfolios.	
Objective 5: To identify key lessons from implementation of the COE Policy and provide recommendations to improve the Global Fund's investment in COEs.	
EQ 5.1 To what extent is the Global Fund COE Policy and Classification coherent with other similar partner organizations and if not why? What are the potential synergies in coherent COE classification with partner organization in program implementation, cooperation and coordination? How adequate is the current COE country classification and should it be reviewed by the Global Fund?	
63. Global Fund method of selecting COEs is fit for purpose, and results in similar countries as the methods of peer organizations.	
64. Classifications within the COE designation (fragility vs conflict, acute vs chronic) do not require further definition at the policy level.	
65. The Global Fund COE policy is coherent with those of peers, although risk approach (increased accountability mechanisms vs transparent acceptance of lost) bears review.	
EQ 5.2 What have been the main enablers and constraints to program performance in COEs? How did the Global Fund and other stakeholders address the challenges/ difficulties? What can be done to strengthen the main enablers in COEs?	
66. The willingness of the CT to request policies is a significant enabler/constraint, including the extent to which the CT is willing to engage country-level implementers and partners.	
67. The zero cash policy has been raised as a significant impediment to implementation (CAR, MER, Niger, South Sudan)	
68. Risk averse LFAs and FAs have been raised as a constraining factor (Niger), although exceptions have also been observed (Myanmar), particularly in acute crises.	
69. Limited capacity to increase the risk exposure reduces likelihood of some activities being approved, or risk is transferred from the Global Fund to the implementer (cited by two UN agencies and one INGO).	
EQ 5.3 What additional risks are faced by the Global Fund in COE portfolio in grant implementation and how can these be mitigated? How can the balance between financial risk and fiduciary risk be optimized for effective program implementation and impact?	

Findings by Evaluation Question	SoE
70. Population movements, including HRH out of the health sector (e.g., Myanmar, South Sudan).	
71. Currency fluctuations and banking sector disruptions (e.g. MER, Myanmar).	
72. Reduced visibility and communication with some areas of the country making monitoring difficult (e.g. South Sudan).	
73. Disrupted or delayed supply chains, with no quality assured alternatives available (e.g., Myanmar).	
EQ 5.4 What capacity building is required in COEs to increase efficiency of Global Fund Investments? How can this capacity building be implemented in practice considering the challenges in COE context and who is best placed to provide this (e.g., partners, the Secretariat)?	
74. Capacity strengthening is needed for PRs and SRs grant management and reporting.	
75. Capacity strengthening is needed procurement and supply chain management.	
76. Capacity strengthening is needed to manage alternative contracting mechanisms.	
77. Insufficient capacity strengthening of the government and community/civil society actors; need ASP and COE multi-grant transition plan.	
EQ 5.5 What other mechanisms could be leveraged, in addition to country allocations and catalytic investments, to address longer-term structural, programmatic and governance issues that are impeding program implementation in COE context?	
78. Additional technical (disease, RSSH and CRG-specific) guidance to highlight issues for attention and prioritization in COEs.	
79. Pooled fund or blended financing mechanisms.	
80. Joint capacity strengthening initiatives with partner organizations, including technical assistance partners with more humanitarian actors.	
EQ 5.6 Are the current metrics for measuring program performance, results and impact in COE adequate and adapted including program monitoring approaches to capture inequity in coverage across populations i.e., Key and Vulnerable Populations (KVPs) and are implemented in a way that 'do no harm'? If not, what are performance measurements proposed and how can these be captured in practice?	
81. Insufficient access/coverage indicators (which also require gender and age disaggregation).	
82. Diversity of settings makes few metrics useful to comparable between COE and non-COE portfolios.	
83. Little evidence that COE portfolio is routinely assessed against appropriate benchmarks.	
84. Insufficient innovation in performance measurement and monitoring to allow coverage in the most challenging settings within COEs.	
85. Many of the CCS had old data or no population-based data on diseases for setting targets and measuring outcomes (e.g., prevalence surveys, IBBS), calling into question program management.	

Annex 10: Strategic Initiatives in COE case study countries

Country / SI	CRG	CCM Evolution	Data	Human rights[10]	HRH Strengthening (Quality of Care)	Malaria (LLIN)	Private sector	RSSH (Lab systems)	RSSH (PSM Trans-formation)	South-South Strategic Support	STE (Sustainable Financing)	TB Finding Missing cases	Total
CAR	x	x		x x					x	x	x		**7**
Mali		x	x	x x	x	x		x	x		x	x	**10**
Niger	x		x	x	x		x	x	x		x	x	**9**
Somalia			x						x				**2**
S. Sudan	x	x	x				x	x	x		x		**7**
Myanmar	x	x	x								x	x	**5**
MER													**0**
Total	**4**	**4**	**5**	**5**	**2**	**1**	**2**	**3**	**5**	**1**	**5**	**3**	**40**

Source: Strategic Initiatives Tracker, March 2022

[10] Two crosses indicates both Human Rights (Malaria), and Human Rights (Big Bet).