

Technical Evaluation Reference Group: PCE Extension Synthesis Report

TERG Position Paper, Management
Response and Final Report

March 2022

**Technical Evaluation Reference Group
Position Paper:
Prospective Country Evaluation
Extension Synthesis Report**

October 2021, Geneva, Switzerland

Executive Summary

Context

- The Board approved the TERG to conduct Prospective Country Evaluations (PCEs)¹ in eight countries for the allocation period of 2017-2019, followed by one additional year. The PCEs were extended for three months from April to June 2021, to undertake additional investigation and final analysis in relation to grant revisions, resilient and sustainable systems for health (RSSH) investments and grant making. This extension period covered seven PCE countries: Cambodia, the Democratic Republic of Congo, Guatemala, Mozambique, Myanmar, Senegal and Uganda. Key areas explored included: New Funding Model 2 (NFM2, allocation period 2017-2019) grant revision issues and lessons learnt from COVID-19 response; the understanding and use of health systems support and health systems strengthening by country stakeholders for RSSH investments; reasons for the limited uptake of RSSH coverage indicators in NFM3 (allocation period 2020-2022); and drivers of budgetary shifts for RSSH and equity-related investment during grant making.
- This paper provides the TERG's position regarding the findings and recommendations from the three-month extension of the PCE.

Questions this position paper addresses

- A. What is the current status?
- B. What are the key messages, conclusions and TERG's recommendations?
- C. What are the proposed response/next steps?

Conclusions

- A. This report, based on the individual country reports, explores deeper into key issues presented in the PCE 2021 Synthesis Report covering the 2017-2019 allocation period and its last year of implementation in 2020. The PCEs have now concluded.
- B. There are eleven key findings in this extension report. Building from the PCE Synthesis 2021 recommendations, evidence and analysis from the extension phase contributed to a revised set of recommendations. In addition to these, there is one new recommendation (Recommendation 3) arising from this extension period. The TERG agrees with these. However, the TERG has a number of comments and suggested priority areas for action, to build on those of the report.
- C. The SC and the Secretariat are requested to consider this report's findings and strategic considerations for improving the impact of the Global Fund. The TERG and Global Fund Secretariat intend to publish the extension period report as an annex to

¹ The Global Fund. 36th Board Meeting, Catalytic Investments for the 2017-2019 Allocation Period. [GF/B36/04 – Revision 2](#). 16-17 November 2016, Montreux, Switzerland.

the PCE 2021 Synthesis Report, along with this TERG Position Paper and its Secretariat Management Response.

Input Received

The TERG discussed the plan and status of the PCEs with the SC and with the Board. The TERG, with focal points for each PCE country, worked closely with the Global Fund Secretariat, through the TERG Secretariat, to ensure input from relevant GF Secretariat teams.

PCE extension country and synthesis findings and strategic considerations were presented to the TERG and Secretariat teams in June 2021. Feedback was incorporated into the country and synthesis reports, as appropriate.

Report

Context

1. The Board approved the TERG to conduct Prospective Country Evaluations (PCE) in eight countries for the 2017-2019 allocation period. The Strategy Committee (SC) agreed on a one-year extension of the PCEs, followed by an additional three-month extension. This report covers the latter in seven PCE countries: Cambodia, the Democratic Republic of Congo, Guatemala, Mozambique, Myanmar, Senegal and Uganda.
2. PCEs are in-depth, country-level, prospective evaluations that utilize a variety of methods to provide a detailed picture of the implementation, effectiveness and impact of Global Fund grants in selected countries. The goal of the PCEs is to independently assess ongoing program implementation and impact at the country level to generate evidence and inform global, regional, and in-country stakeholders in order to accelerate the progress towards achievement of the Global Fund Strategic Objectives (SOs).
3. From April to June 2021, the PCE conducted some final analysis in relation to grant revisions, RSSH investments and grant making. Key areas explored during the extension phase included:
 - i. New Funding Model 2 (NFM2, allocation period 2017-2019) grant revision issues and any relevant lessons learnt from the Global Fund's response to COVID-19 and particularly operational flexibilities introduced in 2020;
 - ii. The understanding and use by CCM, government and other country stakeholders of the terms health systems support and health systems strengthening;
 - iii. Reasons for the limited uptake of RSSH coverage indicators in the New Funding Model 3 (NFM3, allocation period 2020-2022) grant performance frameworks; and
 - iv. NFM3 grant making, including drivers of budgetary shifts for RSSH and equity-related investment and transparency, country ownership and inclusion.

Key findings

4. Eleven key findings were presented in relation to grant revisions, RSSH investments, RSSH coverage indicators and grant making:

1. NFM2 Grant Revision issues and lesson learned from COVID-19 response

5. NFM2 grant cycle revision processes were burdensome due to both the length of time for decisions to be made and the large number of participants or layers of decision makers.

6. Making updates to the performance frameworks was not raised as a factor contributing to grant revisions being burdensome.
7. Flexibilities introduced in response to COVID-19 have increased the speed and efficiency of grant revision processes in the final year of the NFM2 grants.

ii. RSSH Investments: The understanding and use of health systems support and health systems strengthening by country stakeholders

8. For RSSH investments, a set of business model and contextual factors explained the predominance of health system support over strengthening investments in final grants, including:
 - The three-year grant cycle;
 - Lack of guidance in allocation letters on how much to invest in RSSH and what types of investments to prioritize to strengthen the health system;
 - Lack of strategic planning around RSSH at the grant design stage;
 - Overall health system resource constraints which lead to RSSH funds being used to fill gaps; and
 - Lack of participation of health systems experts, including from other donors/partners engaged in this space, in funding request design.
9. Grant RSSH investments varied in their alignment to national health system objectives and their harmonization with other external partner investments. There appeared to be limited landscape and/or gap analysis to guide how and where to focus Global Fund investments alongside domestic and other donor efforts. Nonetheless there are examples where investments added value to those of others.

iii. Reasons for the limited uptake of RSSH coverage indicators in NFM3

10. Most grants that included RSSH modules had relatively few RSSH indicators in performance frameworks. Several business model and contextual factors influenced this, including:
 - RSSH performance indicators are not mandatory;
 - Concerns about being held accountable for poor performance on RSSH indicators;
 - Data to assess performance is not readily available and/or expensive to collect; and
 - RSSH performance indicators poorly aligned to investment areas.

iv. NFM3 Grant Making including drivers of budgetary shifts for RSSH and equity-related investment

11. In five countries, grant allocations to RSSH increased during grant making; while they decreased in two.
12. Due to omissions in breakdown of budget by key population (a new tab in the detailed budgets), it was not possible to assess shifts in human rights, gender and equity (Equity-HRG) during grant making.

13. Reasons for changes to budget allocations included: reclassification or changes in budget approach; changes in implementation arrangements; TRP recommendations; and concerns around achieving grant performance (absorption) targets.
14. Overall, countries reported country ownership to be higher during NFM3 grant making, compared to NFM2, although this related more to government than civil society stakeholders.
15. Despite greater country ownership, final grant budgeting processes remained opaque in most countries and final financial decisions were often made separately from technical discussions. PRs did not always formally communicate changes to implementing partners.

Report Recommendations and TERG Position

16. **The TERG endorses the eleven key findings contained in the PCE Extension Synthesis Report**, which are detailed above. Based on the key findings, the new recommendations from the report are as follows, underlined:
17. **Recommendation 1 (revised to integrate findings from the 2021 extension phase):**
In order to reduce gaps between policy guidance and grant design, improve communication around how to invest more strategically in RSSH, including CSS.
 - In the next Strategy, the Global Fund should clarify its position on whether the primary objective of investments in RSSH is intrinsically tied to the management of the three disease epidemics; or whether its goal is more broadly to contribute towards health systems strengthening. (Board, Secretariat Strategy and RSSH teams).²
 - Within the current Strategy and as the Global Fund moves forward, the Secretariat should improve the consistency of its communication - i.e., across policy, guidance notes and via Secretariat/Country Team communications - on what these objectives are and how to invest more strategically (and less as a gap filler) in RSSH. (Board, Secretariat RSSH team and Grant Management Division)
 - Continue to embed the RSSH Roadmap and build on current guidance notes by working with individual countries to clarify specific Global Fund RSSH priority areas and what health system strengthening as opposed to supportive investment would look like for these. This should include ensuring that grant activities have a specific short- and long-term purpose, ownership and accountability structures, and with indicators and targets in performance frameworks that relate to both implementation and intermediate outcomes as well as longer-term outcomes which may span over several grant cycles. (Secretariat RSSH team, Country Teams, PRs, technical partners)

² This is very much linked to and in support of the SR2020 recommendation that “The next strategy should clearly specify what is required from a health system to ensure financial and programmatic sustainability. Based on this, the strategy should then identify what is realistic and within the scope of the Global Fund to achieve and where this might link to the efforts of others operating in this space. This should include consideration of whether all the current operational objectives are relevant and necessary; whether new areas may merit inclusion, for instance in relation to systems for global health security; and where the Global Fund offers comparative advantage, and its efforts should be focused”.

- To facilitate alignment of Global Fund RSSH investments to national health strategies, ensure proper engagement and ownership from health system planning experts and leaders in NSP and Funding Request development processes, and implementation oversight. (PRs, Country Teams, technical partners)
- To aid coordination and harmonization with other partners: (a) work with technical partners to ensure agreed tools/processes for HSS landscaping (e.g., gap analysis) are in place; and (b) support countries to operationalize these tools to guide investment prioritization with both national health priorities and other partner investments. (PRs, Secretariat RSSH team and Grant Management Division, technical partners)

18. Recommendation 2: In order to improve grant contribution to equity and SO3, explicitly promote grant investments in these areas, including through more direct measurement of the drivers of inequity and of outcomes of human rights and gender investments.

- Invest more in data and data use, including up-to-date key and vulnerable population (KVP) surveys as well as other data sources that shed light on socio-economic, gender, geographical and ethnic differences in disease burden and access to services that grants are aiming to contribute to. (Country Teams, national stakeholders)
- Ensure performance frameworks incorporate existing data on human rights and political commitment as well as disease burden and service access amongst different population groups and use this data effectively to monitor grant contribution to both SO3 and SO1 impact. (Country Teams, national stakeholders)
- Recognizing the success of strategic initiatives and/or matching funds in incentivizing grant investments in reducing equity, human rights and gender related barriers to accessing services, prioritize scaling up across the portfolio and incentivizing such investments through mainstream grant management operations. This should include explicit efforts to improve implementation and where necessary, timely revisions to maximize grant contribution to reducing barriers to care and disease impact. (Grant Management Division, Strategic Initiatives team)

19. Recommendation 3 (based on evidence gathered during 2021 extension phase): Ensure that in future grant design processes, grant making is as transparent and inclusive as the funding request process, and that greater efforts are made to maximize country ownership of the final grant awards, including participation by a wider group of stakeholders.

- Inclusivity and participation (Secretariat Grant Management Division, CCM, PRs and SRs):
 - Clarify the final grant budgeting process to all stakeholders, including information on who should be involved, what is expected of them, and training where required to improve participation.
 - Where possible, select SRs earlier in the process to facilitate their participation.

- Transparency and country ownership (CCM, PRs, SRs, Secretariat Grant Management Division):
 - Improve transparency by systematically documenting, and sharing with stakeholders, the significant budgetary changes to grant design and implementation, including the rationale and technical consequences of financial changes.
 - Build ownership beyond the national government/Ministry of Health by engaging in more consultation with SRs/CSOs whose activities are changed as a result of grant award budget changes.

20. Recommendation 4 (including further information from COVID-19 operational flexibilities lessons during the 2021 extension phase): Build in more flexibility and responsiveness in implementation by simplifying grant revision processes to encourage their use throughout the grant cycle.

- Consider flexibilities and streamlining of material program revision process to encourage/reward earlier introduction of innovative programming that maximizes impact and limits non-strategic budgetary shifts to later in the 3-year grant cycle. (Secretariat)
- Introduce flexibilities to Principal Recipient (PR) and Sub-recipient (SR) contractual arrangements and performance frameworks that can be used to introduce mid-term changes as required. (PRs, Grant Management Division)
- Through the Secretariat's planned grant revision review (mid-2021), examine how countries could strengthen data-driven revision decisions (thereby avoiding the over-reliance on financial data to guide revision decisions), in line with establishing a more streamlined, flexible process for program revision. (Secretariat)
- Building on lessons learned from the introduction of COVID-19 exceptional operational flexibilities introduced to minimize the impact of the COVID-19 pandemic on supported programs and Secretariat operations, adapt current periodic budget review processes such that adjustments to scope/scale can be included (akin to a program revision) but with rapid response/turnaround times and a streamlined revision process to reduce the level of burden imposed on stakeholders, such as by:
 - Clarifying what constitutes a scope/scale revision and relaxing the requirement for TRP engagement for minor changes;
 - Reducing the level of information required from PRs, and possibly the Secretariat, through the grant revisions request forms and wider process;
 - Maintaining more flexible and/or electronic PR and CCM endorsement processes and reconsidering the number of different entities required to approve/endorse proposed revisions. (Secretariat Grant Management Division)

21. Recommendation 5 (revised to integrate findings from the 2021 extension phase): Improve grant-specific performance monitoring to inform implementation decisions.

- Establish routine grant review processes at the country level with a quality improvement lens, emphasizing grant-specific performance data and drawing on emerging evidence and data to better inform revisions that maximize impact. (PRs, Grant Management Division including Country Teams)

- Implement proposed reforms of the grant rating system to reflect both grant-specific performance and contribution of grants to national program performance. Additionally, this should draw upon qualitative inputs, including expertise of the CCM, LFA, Country Team and wider Secretariat. (Grant Management Division, Strategy Committee, Board)
- Based on the revised grant rating system, develop a set of indicative options to demonstrate how good and poor performance could be responded to, and a framework for deciding when and how to introduce these measures in different contexts and circumstances (Grant Management Division, Strategy Committee, Board).
- In relation to RSSH specifically:
 - Strengthen use of revised RSSH indicators to address delayed implementation and potential deprioritization throughout grant implementation. (PRs, Grant Management Division including Country Teams)
 - Support country stakeholders to ensure that appropriate indicators are included in Performance Frameworks to monitor RSSH investments and progress towards health systems strengthening, at least for larger RSSH investments in the portfolio. (Grant Management Division, PRs)
 - Ensure that indicators add value to national efforts to track progress towards RSSH as well as support Global Fund efforts to measure RSSH outcomes. Where appropriate, they should harmonize with other global M&E frameworks for HSS, primary health care and pandemic preparedness. (Secretariat Grant Management Division, MECA Department, TRP and technical partners)
 - Ensure performance incentives posed by the business model do not deter investment in health systems strengthening. (Secretariat Grant Management Division). Potential actions could include:
 - Set grant targets over successive grant cycles, perhaps with interim targets for each grant cycle (this would need to be informed by a longer term RSSH investment strategy).
 - Measure RSSH implementation progress that directly relates to PR actions, ensuring other engaged stakeholders, including Ministries of Health and Finance, are held accountable for implementation progress on activities for which they are responsible.
 - Enable more flexible use of grant funds and/or make concessions on reporting of absorption, such that poor rates of absorption for RSSH do not reflect poorly on PR performance.

22. The TERG in large part endorses the revised recommendations, which are adjusted based on the findings from the extension period, with some contexts and nuances that are discussed below³.

23. The TERG emphasizes that the adjusted recommendation 1 and 5 are very much linked to the previous recommendations on RSSH in various reviews⁴. The long-standing

³ This document mainly focuses on TERG's position to the revised recommendations in red. For the original recommendations in black, please refer to paragraphs 14 – 22 in [TERG Position Paper on PCE 2021 Synthesis Report](#).

⁴ Documents taken into consideration:

- [OIG Audit Report on Managing Investments in RSSH, May 2019](#)
- [PCE Synthesis Reports 2018 to 2021](#)
- [Strategic Review 2020, August 2020, and Secretariat Management Response](#)

ambiguity of the scope and expectations of GF RSSH investments at the Board level is the fundamental reason for the inconsistent Secretariat communication as well as challenges around RSSH indicators. The TERG again strongly recommends the Global Fund Board to clarify their position on the primary objective of its RSSH investments under the next Global Fund strategy. The TERG repeats the importance to develop a Theory of Change (ToC) to clarify and articulate how the Global Fund will achieve its Strategic Objectives in the next strategy. The ToC will aid the much-needed agreement on the positioning of RSSH and HRG-Equity as facilitators of impact and sustainability⁵. With the clarification at the Board level and the aid of ToC, the Secretariat can provide consistent messaging through information notes and guidance. If the Global Fund truly intends its investments to be primarily strengthening RSSH to ensure financial and programmatic sustainability, countries need more information on what strengthening investments means and how to operationalize it. The TERG fully agrees with the need to adjust various aspects of GF business model to incentivize countries to prioritize RSSH investment, as grant cycle analysis in the PCE clearly identified that the current business model structures does not systematically encourage RSSH investment for sustainability.

24. The TERG supports Recommendation 1, last bullet point (paragraph 17 above), in relation to aid coordination and harmonization with other partners for strategic RSSH investment and its monitoring. At a country level, The Global Fund can proactively promote coordination across disease programs, health system planning experts and leaders to conduct a comprehensive RSSH landscape analysis, then develop a country specific ToC to achieve resilient and sustainable health systems. In that ToC, country tailored monitoring indicators and the role of various stakeholders and partners, including GF, will be identified. Based on it, the GF Secretariat and the country can identify county tailored RSSH process and outcome indicators to measure the contribution of Global Fund's RSSH investment, which allows Global Fund to monitor progress toward the RSSH strategic objective. While some process indicators could be assessed once a year to align the Global Fund's performance-based funding principle, all stakeholders, particularly GF Secretariat and the board need to understand that the assessment of RSSH outcome indicators requires a longer timeframe, with more tailored and qualitative approach. The TERG agrees that measurement of absorption of funds does not capture the complex nature of RSSH activities. Expecting results in a three-year time frame and measuring grant performance through absorption are examples of trying to shoehorn grants for RSSH to fit into the current Global Fund business model.

25. The TERG appreciates the great effort made by the GF Secretariat to ensure COVID-19 operational flexibilities under NFM2. The TERG supports the practical recommendations

- [TRP Report on RSSH Investments in the 2017-2019 Funding Cycle](#)
 - [TERG RSSH Review, July 2019, and Secretariat Management Response](#)

⁵ [TERG Position Paper on PCE 2021 Synthesis Report](#)

to encourage grant implementers to be innovative and respond to changing circumstances in a timely way to maximize impact, and not defer until the next funding request due to “burdensome” revision process.

26. The TERG fully endorses the recommendation 3 to ensure the same level of transparency and inclusion at grant making as at funding request to maximize country ownership by all parties of the final grant awards.

Proposed next steps

27. The SC and the Secretariat are requested to consider the above findings and strategic considerations for improving the Global Fund model as well as clarifying the next Strategy. Additional details are available in the PCE Extension Synthesis Report.
28. Concurrently, the SC is requested to consider the essential role country-based evaluations are playing to generate evidence and inform global, regional and in-country stakeholders in order to accelerate the progress towards the strategic objectives of the current and next Global Fund strategies.

Annexes

The following items can be found in Annex:

- Annex 1: Relevant Past Board Decisions
- Annex 2: Links to Relevant Past Documents & Reference Materials
- Annex 3: TERG PCE Extension Synthesis Report
- Annex 4: List of Abbreviations

Annex 1 – Relevant Past Board Decisions

Relevant past Decision Point	Summary and Impact
GF/B42/DP03: Sources and Uses of Funds for the 2020-2022 Allocation Period	The Board approved the use of an additional USD 90 million for the 2020-2022 allocation period's catalytic investments, bringing the total amount for catalytic investments for the 2020-2022 allocation period to USD 890 million, to be made available for the priorities and associated costs.
GF/B36/DP06: Catalytic Investments for the 2017-2019 Allocation Period (November 2016)⁶	The Board decided that USD 800 million would be available for catalytic investments over the 2017 – 2019 allocation period for the priorities and associated costs presented in Table 1 of GF/B36/04 – Revision 2, including USD 22 million for TERG PCEs.

Annex 2 – Relevant Past Documents & Reference Materials

[GF/B36/04](#): Catalytic Investments for the 2017-2019 Allocation Period – Revision 2

[GF/B42/DP03](#): Sources and Uses of Funds for the 2020-2022 Allocation Period

Annex 3 – TERG PCE Extension Synthesis Report

Report is provided separately.

Annex 4 – List of Abbreviations

CCM Country Coordinating Mechanism

⁶ <https://www.theglobalfund.org/board-decisions/b36-dp06/>

CSOs	Civil society organizations
HRG-Equity	Human rights, gender, equity
LFA	Local Fund Agent
MECA	Monitoring and Evaluation and Country Analysis
NFM2	New Funding Model 2 (2017-2019 allocation period)
NFM3	New Funding Model 3 (2020-2022 allocation period)
PCE	Prospective Country Evaluation
PR	Principal Recipient
RSSH	Resilient and sustainable systems for health
SO	Strategic Objective
SR	Sub-recipient
TERG	Technical Evaluation Reference Group
TRP	Technical Review Panel

Secretariat Management Response

2021 PCE Extension Report

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 according to the TERG Documents Procedure approved by the Strategy Committee.

To assess the effectiveness, efficiency, equity and impact of the Global Fund's investments and progress on implementation of the Global Fund Strategy 2017-2022, the TERG developed a 6-year evaluation plan. One of the components of this multi-year plan was to establish Prospective Country Evaluation (PCE) platforms in up to eight countries. The goal of the PCEs is to independently assess ongoing program implementation and impact to generate evidence to inform stakeholders and accelerate progress towards the Strategic Objectives of the Global Fund. The PCEs followed the 2017-19 grant cycle and examined the pathways between Global Fund investment and impact in Cambodia, the Democratic Republic of Congo, Guatemala, Mozambique, Myanmar, Senegal, Sudan and Uganda.

A total of four PCE Synthesis Reports have been produced by the TERG since 2018 and the Secretariat has been engaged throughout the process of the PCEs and has considered the country-specific recommendations, findings, and conclusions as part of its overall portfolio management approaches, as well as the higher-level conclusions, findings and recommendations for consideration across the wider portfolio. The 2021 PCE Synthesis Report¹ and the Secretariat Management Response can be found [here](#).

Building on the 2021 Synthesis Report, the TERG commissioned a three-month extension (April-June 2021) to examine more closely specific areas. The PCE Extension Report² examined New Funding Model 2 (NFM2) grant revision processes and lessons learned from the COVID-19 response. In addition, the report also looked at the use of Health System Support and Strengthening by country stakeholders for Resilient and Sustainable Systems for Health (RSSH) investments,

¹ Technical Evaluation Reference Group: Prospective Country Evaluation, [GF/SC15/21](#).

² [Global Fund Prospective Country Evaluation Annex to the 2021 Synthesis Report](#).

including examination of the underlying reasons for limited uptake of RSSH indicators in NFM3 and budgetary shifts for RSSH, and equity related investments during grant making.

The Secretariat welcomes the PCE Extension Report by the TERG and broadly endorses the overall findings, conclusions, and recommendations and the TERG's position. These will be considered as part of ongoing oversight and improvement initiatives and within the context of the preparations for the 2023-2025 allocation cycle. This management response responds solely to the specific findings, conclusions, and recommendations from the extension period of the PCEs.

Areas of agreement

Grant Cycle Processes

The Report makes several recommendations that are relevant for the next cycle of grants, and these will be considered as part of the launch of the 2023-2025 allocation cycle. The Secretariat agrees that in the future grant design process and grant making should be more transparent and inclusive, as the funding request process provides an important opportunity to maximize ownership of final grant awards amongst all stakeholders (Recommendation 3)³. Regarding the recommendation on ensuring inclusivity and participation of many stakeholders (R.3.1) and clarifying roles and responsibilities vis-à-vis the grant budgeting process (R. 3.1.1)⁴, we note publicly available resources⁵ that clearly define the process for the finalization of grant budgets during grant-making exist and are accessible to all stakeholders.

On improving transparency by systematically documenting and sharing with stakeholders grant budget changes (R. 3.2.1), we note that there is an ongoing review of the funding request and grantmaking processes for the 2023–2025 cycle which look at mechanism to further emphasize the feedback loop between PRs and CCMs on final grant documents. The Secretariat notes that this effort cannot be solely driven by the Global Fund, and it should be incorporated into individual CCM procedures on oversight (i.e., CCMs defining and communicating with their nominated PRs and articulating roles and responsibilities, including eventual updates, during grant-making so that PRs can take this into account in planning for grant-making). Furthermore, there should be a careful consideration of the trade-offs, noting that increased transparency which will likely increase the time needed for grant making, noting that in the past limited time may have been a potential barrier for meaningful engagement by affected communities.

The Secretariat agrees that SR selection earlier in the grant making process is optimal as this would ensure their participation in the finalization of grant documents (R.3.1.2)⁶, and where possible this is already being done. As per existing guidance⁷, early selection and contracting of SRs is one of the requirements used to assess implementation readiness. Nevertheless, this process is dependent on national laws allowing this process to commence prior to grant signature.

³ Ensure that in future grant design processes, grant making is as transparent and inclusive as the funding request process, and that greater efforts are made to maximize country ownership of the final grant awards, including participation by a wider group of stakeholders (New recommendation).

⁴ Inclusivity and participation and clarification of the final grant budgeting process to all stakeholders.

⁵ [Guidelines on Grant Budgeting and the Operational Policy Note \(OPN\)](#) and [Operational Procedures Make, Approve and Sign Grants](#) (Page 59).

⁶ Ensure inclusivity and participation of SRs by conducting selection earlier in grant making.

⁷ [Operational Procedures Make, Approve and Sign Grants](#) (Page 59).

The Secretariat agrees that there could be more streamlining in the documentation requirements for grant revisions (including an electronic PR and CCM endorsement process) (R.4.4)⁸ and the number approvals required. Lessons learned from the COVID-19 response are being integrated into the standard grant revision process and updates to procedures and guidelines⁹ are currently being revised to reflect these and other improvements.

The Secretariat notes that the reviewer's assertion that Technical Review Panel (TRP) is engaged in minor changes (R.4.4.1)¹⁰ during grant revisions is not accurate. The thresholds for material program revision¹¹ which necessitates TRP review are high, thereby providing leeway for PRs, CCMs and the Secretariat to undertake program revisions without TRP review. For example, in 2020, out of 40 program revisions only 6 were material revisions, while 200 budget revisions were managed between Country Teams and PRs.

RSSH Investments

The Secretariat agrees with the TERG that there is a need for greater coherence and consistency regarding communications around strategic RSSH investments (R.1.2)¹² and this will require alignment and support from partners to ensure greater impact in the next strategy cycle. Regarding the recommendation on improving coordination and harmonization with other partners (R.1.5)¹³, we note that the Service Delivery Innovations Strategic Initiative (SDI SI)¹⁴ is undertaking activities aimed at improving such coordination and harmonization. An iLearn¹⁵ on community systems strengthening (CSS)¹⁶ is being developed to support countries with more tailored guidance. The Community, Rights and Gender Strategic Initiative (CRG SI), which supports regional platforms, provides an opportunity to interface with communities and civil society in the development and dissemination of the guidance. The Secretariat is also collaborating with WHO to enable its long term HSS in-country advisors deployed through the Universal Health Care Partnership to be more actively engaged in HSS/RSSH activities supported by Global Health Initiatives (GHIs), including Global Fund, Gavi, GFF, etc., and to closely coordinate with disease specific partners at country level. To further support countries there are several technical tools under development, including a series of country case studies showing how GHIs' investments support integrated primary care services, as well as a tool to track investments in systems, that will enable the Global Fund and GAVI (and potentially other partners in the future) to comparatively assess investments in systems and identify gaps.

⁸ Reducing the level of information required from PRs, and possibly the Secretariat, through the grant revisions request forms and wider process and more flexible and/or electronic PR and CCM endorsement processes and reconsidering the number of different entities required to approve/endorse proposed revisions.

⁹ [Operational Policy Note on Grant Revisions](#) (Page 229).

¹⁰ Clarifying what constitutes a scope/scale revision and relaxing the requirement for TRP engagement for minor changes

¹¹ [Operational Policy Note on Grant Revisions](#) (Page 229).

¹² Within the current strategy and as Global Fund moves forward, improve the consistency of Secretariat communication i.e., across policy, guidance notes and via Secretariat/Country Team communications - on what these objectives are and how to invest more strategically (and less as a gap filler) in RSSH. (Board, RSSH team & GMD).

¹³ To aid coordination and harmonization with other partners: (a) work with technical partners to ensure agreed tools/processes for HSS landscaping (e.g., gap analysis) are in place; and (b) support countries to operationalize these tools to guide investment prioritization with both national health priorities and other partner investments. (PRs, RSSH team and GMD, technical partners).

¹⁴ The SDI SI aims to support the development of sustainable capacity building mechanisms for RSSH and is co-funded by bi-lateral partners (France, Germany, UK) and is focused on developing updated technical materials aimed at strengthening country capacity to invest more strategically in RSSH. It will also support the establishment of two regional RSSH capacity building hubs (through strengthening two local partner institutions) which will focus on improving programmatic quality of RSS investments in Africa.

¹⁵ iLearn is the Global Fund's online education platform. It offers free e-learning courses, recorded webinars and training resources for applicants, partners, civil society and others interested in learning about HIV, tuberculosis, malaria, our funding model, funding applications, implementation processes and other topics. Resources are available in English and sometimes also in French, Spanish and Portuguese.

¹⁶ Tailors CSS guidance to be more disease and country/region specific.

The Secretariat agrees it is critical to ensure the inclusion of appropriate indicators in the Performance Frameworks to monitor RSSH investments and progress towards health system strengthening (R.5.4.2)¹⁷. Prior to each funding cycle, the Secretariat revises the RSSH Performance Framework and selects a set of indicators that are relevant for the prioritized programmatic scope of investments for that funding cycle. The next funding cycle (2023 - 2025) will be driven by the priorities embedded in the Global Fund Strategy (2023-2028), and the RSSH Performance Frameworks will reflect this accordingly. With support from the Gates Foundation, the Secretariat is working to elaborate a theory of change for RSSH investments, as well as a measurement framework articulating short, medium, and long-term outcomes of these investments. While the focus will be on HIV, TB and malaria, broader outcomes of interest will also be considered. The Secretariat has strengthened its internal capacity in RSSH measurement with core staff on the RSSH team dedicated to accelerating this work and ensuring robust engagement across the Secretariat and external partners. The Secretariat will also consider improved performance indicators for CSS, aligned with guidance, and with a clearer link articulated between CSS and grant outcomes for disease components.

On measuring RSSH implementation progress that directly relates to PR actions (R 5.4.4.2)¹⁸, during 2022 we will revisit the metrics, level of information and insights required as part of our internal Implementation Oversight Launch project. Stakeholder engagement in absorption of funds is critical, however, it is ultimately the PR that is accountable for ensuring grants are implemented and absorbed in accordance with the signed grant agreement including through ensuring stakeholder buy-in and management towards pre-determined deliverables. The Secretariat is also working to strengthen monitoring and oversight over C19RM investments, including quarterly reporting of key indicators and collection of health facility data to aid in understanding implementational progress.

With respect to the recommendation that grant targets should be set over successive grant cycles with interim targets (informed by a long term RSSH investment strategy) (R.5.4.4.3)¹⁹, we would specify that grant targets can be set across multiple cycles (as is the case if a national plan defines targets beyond the grant end date) already. However, the Global Fund can make stronger recommendations in its grant making policy and procedures for the next funding cycle to ensure that this is considered.

Conclusions





The Secretariat thanks the TERG for our continued partnership to strengthen the impact of the Global Fund. The insights provided from the PCE Extension Report will be considered as part of the next cycle of grants.

¹⁷ Support country stakeholders to ensure that appropriate indicators are included in Performance Frameworks to monitor RSSH investments and progress towards health systems strengthening, at least for larger RSSH investments in the portfolio. (Secretariat Grant Management Division, PRs)



¹⁸ Measure RSSH implementation progress that relates to PR actions and ensuring other stakeholders are held accountable for implementation of their respective responsibilities.



¹⁹ Set grant targets over successive grant cycles, perhaps with interim targets for each grant cycle (this would need to be informed by a longer term RSSH investment strategy).

Summary of recommendations

Recommendation	Timeframe	Level of Agreement	Level of Control
<p>Recommendation 1: In order to reduce gaps between policy guidance and grant design, improve communication around how to invest more strategically in RSSH, including CSS²⁰.</p> <p>Rec 1.2: Within the current Strategy and as the Global Fund moves forward, the Secretariat should improve the consistency of its communication - i.e., across policy, guidance notes and via Secretariat/Country Team communications - on what these objectives are and how to invest more strategically (and less as a gap filler) in RSSH. (Board, RSSH team, CRG & GMD).</p> <p>Rec 1.5: To aid coordination and harmonization with other partners: (a) work with technical partners to ensure agreed tools/processes for HSS landscaping (e.g., gap analysis) are in place; and (b) support countries to operationalize these tools to guide investment prioritization with both national health priorities and other partner investments. (PRs, RSSH team and GMD, technical partners)</p>	Next Strategy Period, ongoing		
<p>Recommendation 3 (based on evidence gathered during 2021 extension phase): Ensure that in future grant design processes, grant making is as transparent and inclusive as the funding request process, and that greater efforts are made to maximize country ownership of the final grant awards, including participation by a wider group of stakeholders.</p> <p>Rec 3.1: Inclusivity and participation (Secretariat Grant Management Division, CCM, PRs and SRs):</p> <p>Rec 3.1.1: Clarify the final grant budgeting process to all stakeholders, including information on who should be involved, what is expected of them, and training where required to improve participation.</p> <p>Rec 3.1.2: Where possible, select SRs earlier in the process to facilitate their participation.</p>	On-going		

²⁰ Former Recommendation 3 in 2021 PCE Synthesis report

<p>Rec 3.2: Transparency and country ownership (CCM, PRs, SRs, Secretariat Grant Management Division).</p> <p>Rec 3.2.1: Improve transparency by systematically documenting, and sharing with stakeholders, the significant budgetary changes to grant design and implementation, including the rationale and technical consequences of financial changes.</p> <p>Rec 3.2.2: Build ownership beyond the national government/Ministry of Health by engaging in more consultation with SRs/CSOs whose activities are changed as a result of grant award budget changes.</p>			
<p>Recommendation 4 (including further information from COVID operational flexibilities lessons during the 2021 extension phase): Build in more flexibility and responsiveness in implementation by simplifying grant revision processes to encourage their use throughout the grant cycle:</p> <p>Rec 4.4: Building on lessons learned from the introduction of exceptional operational flexibilities introduced to minimize the impact of the COVID-19 pandemic on supported programs and Secretariat operations, adapt current periodic budget review processes such that adjustments to scope/scale can be included (akin to a program revision) but with rapid response/turnaround times and a streamlined revision process to reduce the level of burden imposed on stakeholders, such as by (Secretariat Grant Management Division).</p> <p>Rec 4.4.1: Clarifying what constitutes a scope/scale revision and relaxing the requirement for TRP engagement for minor changes.</p> <p>Rec 4.4.2: Reducing the level of information required from PRs, and possibly the Secretariat, through the grant revisions request forms and wider process.</p> <p>Rec 4.4.3: Maintaining more flexible and/or electronic PR and CCM endorsement processes and reconsidering the number of different entities required to approve/endorse proposed revisions.</p>	On-going		

<p>Recommendation 5 (revised to integrate findings from the 2021 extension phase): Improve grant specific performance monitoring to inform implementation decisions.</p> <p>Rec 5.4.2: Support country stakeholders to ensure that appropriate indicators are included in Performance Frameworks to monitor RSSH investments and progress towards health systems strengthening, at least for larger RSSH investments in the portfolio. (Secretariat Grant Management Division, PRs) ○</p> <p>Rec 5.4.3: Ensure that indicators add value to national efforts to track progress towards RSSH as well as support Global Fund efforts to measure RSSH outcomes. Where appropriate, they should harmonize with other global M&E frameworks for HSS, primary health care and pandemic preparedness. (Secretariat Grant Management Division, MECA Department, TRP and technical partners)</p> <p>Rec 5.4.4: Ensure performance incentives posed by the business model do not deter investment in health systems strengthening. (Secretariat Grant Management Division). Potential actions could include:</p> <p>Rec 5.4.4.1: Set grant targets over successive grant cycles, perhaps with interim targets for each grant cycle (this would need to be informed by a longer term RSSH investment strategy).</p> <p>Rec 5.4.4.2: Measure RSSH implementation progress that directly relates to PR actions, ensuring other engaged stakeholders, including Ministries of Health and Finance, are held accountable for implementation progress on activities for which they are responsible.</p> <p>Rec 5.4.4.3: Enable more flexible use of grant funds and/or make concessions on reporting of absorption, such that poor rates of absorption for RSSH do not reflect poorly on PR performance.</p>	<p>Next strategy period</p>		
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30 June 2021

Global Fund Prospective Country Evaluation

ANNEX TO 2021 SYNTHESIS REPORT

Findings and recommendations from extension period

REPORT PREPARED BY



CAMBODIA



DEMOCRATIC
REPUBLIC OF THE
CONGO



GUATEMALA



MOZAMBIQUE



MYANMAR



SENEGAL



UGANDA

Synthesis of findings from PCE Extension (April-June 2021)

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Acronyms

2S	Support or strengthening
ART	Antiretroviral therapy
C19RM	COVID-19 Response Mechanism
CCM	Country Coordinating Mechanism
CEP	Country Evaluation Partner
CSO	Civil society organization
CSS	Community Systems strengthening
CT	Country Team
DHIS2	District Health Information System 2
DRC	Democratic Republic of the Congo
FR/GM	Funding Request/Grant Making
GAC	Grant Approvals Committee
GEP	Global Evaluation Partner
GOS	Global Fund's Grant Operating System
HMIS	Health Management Information System
HRG-Equity	Human rights, gender, equity
JANS	Joint Assessment of National Health Strategies and Plans
KII	Key informant interview
KP	Key populations
KVP	Key and vulnerable population
LFA	Local Fund Agent
M&E	Monitoring and evaluation
MMT	Methadone maintenance treatment
MOH	Ministry of Health
MOHS	Ministry of Health and Sports [Myanmar]
MSM	Men who have sex with men
NFM2	New Funding Model 2 (2017-2019 funding cycle)
NFM3	New Funding Model 3 (2020-2022 funding cycle)
NSP	National Strategic Plan
NHP	National Health Plan
PCE	Prospective Country Evaluation
PEPFAR	President's Emergency Plan for AIDS Relief
PR	Principal Recipient
PWID	People who inject drugs
RSSH	Resilient and sustainable systems for health
SO	Strategic Objective
SR	Sub-recipient
TERG	Technical Evaluation Reference Group
TRP	Technical Review Panel
USAID	United States Agency for International Development

Executive Summary

During the 2021 PCE Extension from April to June 2021, additional investigation was undertaken in relation to grant revisions, including a particular focus on the NFM2 Operational Flexibilities introduced in 2020 to respond to COVID-19. This work confirmed the 2021 Synthesis findings on the burdensomeness of revision processes during NFM2, and that this was due to both the length of time for decisions to be made and the large number of participants or layers of decision makers. Making updates to the performance frameworks was not raised as a factor contributing to grant revisions being burdensome. Flexibilities introduced in 2020 in response to COVID-19 increased the speed and efficiency of grant revision processes.

Work undertaken during the PCE 2021 Extension found that, as for the funding requests, during grant making, countries reported country ownership to be higher during 2020 than 2017, although this related more to government than non-government stakeholders. Despite greater country ownership, final grant budgeting processes remained opaque in most countries and financial decisions were made separately from technical discussions. PRs did not always formally communicate changes to implementing partners.

The PCE 2021 Extension further analyzed the reasons for the predominance of supporting rather than strengthening investments in RSSH. This work highlighted the influence of some aspects of the business model and also contextual factors. They included: the 3-year grant cycle; a lack of guidance in allocation letters on how much to invest in RSSH and what types of investments to prioritize to strengthen the health system; a lack of strategic planning around RSSH at country level; overall resource constraints; and lack of participation by country health systems experts in funding request design. Further, while there are many examples where investments add value to those of other funders, the extent to which Global Fund RSSH investments align to national health systems objectives, and the investments of others, is highly variable. And finally, most grants that include RSSH modules include few RSSH indicators in performance frameworks. Business model and contextual factors influencing this include: RSSH indicators are not mandatory; concerns about being held accountable for poor performance on RSSH indicators; data not available and/or expensive to collect; and RSSH indicators being poorly aligned to investment areas.

Building from the PCE Synthesis 2021 recommendations, evidence and analyses from the extension phase contributed to a revised set of recommendations included in the conclusion of this report.

1. Introduction

Building from the Global Fund Prospective Country Evaluation 2021 Synthesis Report, the TERG commissioned a three-month extension phase (April-June 2021) to focus on a deeper analysis of several areas within the grant cycle analysis. The overall objective of the grant cycle analysis was to understand what, when, why and how grant investments change over time, including significant factors that influenced the implementation of and changes to the original grant. The extension phase timing in 2021 allowed for additional analyses of NFM3 awarded grants, which had not been available for the prior report. Key areas explored during the extension phase included:

- NFM2 grant revision issues and any relevant lessons learnt from the Global Fund's response to COVID-19;
- The understanding and use at the country level by CCM's, government and stakeholders of the terms health systems support and health systems strengthening;

- Reasons for the limited uptake of RSSH coverage indicators in the NFM3 grant performance frameworks; and
- NFM3 grant making, including drivers of budgetary shifts for RSSH and equity-related investment and transparency, country ownership and inclusion.

The findings from the extension phase complement the 2021 Synthesis Report findings related to the NFM2 and NFM3 grant cycles. Furthermore, the 2021 Synthesis recommendations have been revised and updated to take into account new findings in relation to the business model during grant design and implementation. This extension phase report includes the synthesis of findings of data from seven countries: Cambodia, Democratic Republic of the Congo (DRC), Guatemala, Mozambique, Myanmar, Senegal, and Uganda¹.

2. Methods

Budgetary analysis: Budgetary analyses were updated to include NFM3 grant award budgets, which enabled analysis of module and intervention-level shifts during grant making. Major shifts in RSSH and equity-related investments were included in KII guides to understand drivers of budget and intervention changes.

Key informant interviews: The GEP developed a key informant interview (KII) guide for the extension phase that was adapted to country context by CEPs. CEP teams conducted interviews (n=95)² with a variety of key stakeholders purposely selected given their involvement in the funding request development, grantmaking, and/or grant revision processes, including representatives from the Principal Recipients, Sub Recipients, CCMs, CT, Local Fund Agents, technical experts, partners, and other government actors. At the global level, one group interview was conducted with the RSSH Secretariat team and one interview with a former (recent) member of the TRP with expertise in RSSH. Newly collected data was triangulated with grant cycle data from the 2021 PCE reports, including grant making meetings observed virtually by CEP teams during 2020.

Document review: The PCE reviewed funding requests and budgets, national disease strategic plans, health sector plans, programmatic gap analyses, final grant award budget and performance frameworks, and Global Fund guidance documents. Key guidance documents included the 2020-2022 Applicant Handbook and associated information notes, eLearning modules, Modular Framework, TRP comments and responses, final grant approved documents (approval forms, budgets, and performance frameworks), as well as numerous external and internal guidance documents regarding COVID-19 to understand the revision-related flexibilities.

RSSH support or strengthening “2S” analysis: In the extension phase, we updated the 2S analysis to include final grant award budgets for NFM3 (our previous analysis compared NFM2 grant award budgets to NFM3 funding request budgets). We used three parameters i.e., scope, longevity, and approach to code each RSSH intervention/activity pair as ‘support’ or ‘strengthening.’ This builds upon the methodology previously used by the Technical Review Panel’s (TRP) examination of RSSH in the 2017-2019 funding cycle, and draws from definitions from Chee et al. (2013) (1) (see Synthesis Report 2021 Annex 4. PCE 2020 Guidance on Operationalizing the 2S Framework for a full methodological description of the 2S analysis).

Equity-HRG budget analysis: For NFM3 HIV grants, the Secretariat attempted to provide greater clarity on investments targeted at KVPs by changing the modular framework whereby investments for

¹ Sudan, the eighth PCE country, terminated at the end of 2020 and did not participate in this extension.

² KII per country: Cambodia (8); DRC (12); Guatemala (20); Mozambique (12); Myanmar (18); Senegal (7); and Uganda (18).

each ‘module’ (e.g. testing, prevention, etc.) would be broken down to specify which key population (KP) was targeted. However, this data was only provided in half of PCE country Funding Requests and even fewer Grant Award budgets (see Table 3). As a result, the PCE was not able to analyze changes to Equity-HRG budgets comprehensively during grant making. Further explanatory detail is below.

Synthesis evidence matrix: To support cross-country comparison and analysis, we compiled an evidence matrix organized by key question/theme and data from KIIs, document review, and budgets triangulated from country specific analysis matrices.

3. Findings

3.1. NFM2 Grant Cycle: Grant Revisions

Key findings:

- NFM2 grant cycle revision processes were burdensome due to both the length of time for decisions to be made and the large number of participants or layers of decision makers.
- Making updates to the performance frameworks was not raised as a factor contributing to grant revisions being burdensome.
- Flexibilities introduced in response to COVID-19 have increased the speed and efficiency of grant revision processes in the final year of the NFM2 grants.

3.1.1. Burden of NFM2 revision processes

Extension work confirmed 2021 Synthesis findings on the burden of revision processes under the NFM2 grant cycle, and that this was due to both the length of time for decisions to be made and the large number of participants or layers of decision makers. In the 2021 Annual Synthesis report, the PCE reported that stakeholders perceived grant revisions as burdensome and administratively complex, with few *program revisions* (‘reprogramming’) to grant scale or scope for NFM2 in PCE countries. Although the Global Fund intends for grant revision processes to enable implementation adjustments to maximize impact, evidence from several PCE countries suggests that potential program revisions were not undertaken during NFM2 and were instead shifted for inclusion in NFM3 funding requests. During NFM2, PCE countries most frequently used *budget revisions* (‘reallocation’) as a financial management tool to influence absorption, often resulting in shifting unused resources to later in the grant cycle.

Extension phase findings confirm that grant revision processes are burdensome for PRs. The reasons are generalized across revision types and include factors that contribute to the length of the process as well as the multiple layers of review. Examples of delays to the process include: mistakes and omissions in budget reconciliation and sign-off from ministry officials (Guatemala); highly detailed budgets resulting in onerous reviews (Myanmar); and grant revision templates not provided to PRs on time by the Secretariat (Cambodia). The number of layers of review and sign-off are determined by the revision type and its materiality. For example, the CCM is expected to endorse extensions, additional funding, and program revisions. The LFA reviews the budget and performance framework (if applicable) and makes recommendations to the CT while the CT facilitates and executes the overall review and approval process, including determining the type of revision required and relevant approval authority. (2) Program revisions that are deemed material are also reviewed by the GAC and TRP. In DRC, because of the country being under the Global Fund’s additional safeguards policy, revisions of government PR grants also go through review and sign-off by the fiscal agent.

One of the more challenging aspects of the grant revision review process is the level of detail and

number of additional documents, justifications, and clarifications requested by the CTs which can take a long time for PRs to address (Box 1). In addition, there are no guidelines for how long these processes should carry on. As a result, reviews continue for weeks and months, with multiple rounds of back-and-forth between the PR and CT. In DRC, one key informant noted that unlike the FR/GM process in which there is a specified timeline for each step of the review process, the review process for grant revisions is not bound by any kind of timeline: *“In the FR/GM process, the TRP comments and gives a country a deadline for responses. When the country responds, the TRP makes its decision within a set period of time and finalizes the process. This should also be done for grant revisions.”* Making updates to the performance frameworks was not raised as a factor contributing to grant revisions being burdensome.

Box 1. In **Guatemala**, the revision process was made cumbersome by the detailed justifications required by the Global Fund. While some proposed changes were swiftly approved, others were conditioned on submission of detailed plans and required additional clarification, such as the local purchase of lab equipment. It took the PR five weeks to develop their response and depended on inputs provided by other departments within the government PR.

Among the different types of grant revisions, program revisions merit special attention because they are the primary business model mechanism for implementing mid-term changes in programmatic scope and scale but were infrequently used during NFM2 in PCE countries. During the PCE extension, ascertaining the exact challenges associated with program revisions proved difficult. Reasons for this include the complexity in the number of grant revision types, different levels of familiarity with grant revision processes and terminology among key informants, and the fact that program revisions were uncommon, occurring in only four PCE countries. Furthermore, the Global Fund’s Operational Policy Manual, which outlines program revision processes, is not translated into languages other than English, whereas the Guidelines for Grant Budgeting, which contains guidance on budget revision is translated into French and Spanish.

The evidence we collected during the PCE extension was specific to several country scenarios that should have triggered a program revision but instead the necessary change was either postponed to later in the NFM2 grant cycle or built into the NFM3 funding request. In Mozambique, the reason involved reluctance to remove funding from implementer departments (Box 2), while in DRC PR responsiveness to performance monitoring data and delayed survey data were the primary reasons program revisions were not conducted (Box 3).

Box 2. In **Mozambique**, despite low levels of absorption for RSSH from 2018 to June 2020, revisions were used to shift funds to later in the grant cycle rather than to reallocate funds to other higher absorbing/achieving areas. The main justification for this was **reluctance to remove funding from departments**, who insist they will spend the funds within grant period once procurement processes are completed.

Box 3. In **DRC**, the HIV PR did not use grant revisions to adjust differentiated HIV testing targets despite initial plans and programmatic data that showed KP testing largely exceeded the 2019 targets. Instead, the PR chose to wait for the updated survey data on HIV incidence. The PCE analysis suggests that the HIV PR’s **lack of proactiveness in response to performance monitoring data**, combined with the **delayed survey data on HIV incidence**, were the key reasons why differentiated HIV testing targets were not adjusted during grant implementation.

3.1.2. Flexibilities introduced to NFM2 grants in response to COVID-19

In the last year of NFM2, the Secretariat introduced a range of ‘flexibilities’ to the Global Fund business model to improve its responsiveness to the COVID-19 pandemic, including to grant revision processes. In the Global Fund’s ongoing response to COVID-19, the term ‘flexibilities’ is used generally within the Secretariat to refer to a wide range of adaptations that were introduced across the business model to improve the Global Fund’s responsiveness to country needs during a time of emergency. For grant revisions, flexibilities were applied in two ways: (1) to improve the speed and efficiency of routine administrative, budget and program revision processes; and (2) to enable access to additional COVID-19 Response Mechanism (C19RM) funds. As agreed with the TERG, our analysis is focused on the former.

During NFM2, the Global Fund enabled countries to use **savings** up to 5% of a grant’s total value for a country’s COVID-19 response.³ Grant funds other than savings (“**reprogramming**”) were allowed, up to a limit of a further 5% of the grant, under certain circumstances.⁴ The Global Fund also introduced a number of Operational Flexibilities to adapt the business model in response to the challenges posed by COVID-19.⁽³⁾ For Administrative, Budget and Program Revisions, this involved: limiting the number of grant revisions to only those that were ‘urgent and critical’; and reducing the administrative burden of grant revisions as described in Table 1.

Further, the Secretariat sought to speed up its approval of COVID-19 response requests (within 5 working days) and issuance of completed Implementation Letters (within 2 months of approval).

Table 1. Summary of operational flexibilities introduced by grant revision type.

Grant revision type	Operational flexibility introduced
All revision types	Reduced the level of budgeting detail required.
Program revisions	Reduced reporting requirement not requiring: <ul style="list-style-type: none">• Section A of the Grant Revision Request Form, provided that:<ul style="list-style-type: none">○ The PR’s revision request and endorsement are captured through email to the CT; and○ CCM Chair and Vice Chair endorsement of the revision request is captured by email or other form of documented communication.• Section B of the Grant Revision Request Form (CT analysis section) provided the Global Fund review is well documented (through email or presentation to GAC) and captures the main issues in the form: (1) rationale for proposed grant revision; (2) proposed changes; (3) programmatic and financial risks; and (4) further contextual considerations.
Administrative and material budget revisions	Completion of processes allowed offline and outside of the Grant Operating System (GOS), but to be validated in GOS upon full signature of the Implementation Letter.

Analysis suggests that these NFM2 Operational Flexibilities did help to improve the speed and efficiency of grant revision processes. In line with the challenges presented above, it has also been

³ Savings usually refers to funds already available at the time of the request, such as unspent amounts against established budget lines, efficiencies in procurement, or foreign exchange gains.

⁴ Reprogramming usually refers to a deviation of funds, away from one and towards another purpose. This can be within a disease program ("away from HIV prevention outreach and towards multi-months ARV dispensary"), but also across diseases ("away from TB and towards COVID"). The justification is usually more complex than for the use of savings, as it often means to sacrifice one goal for another.

challenging to analyze how well the specific flexibilities introduced by the Secretariat have worked to improve the speed and efficiency of grant revision processes. This is due to the inability of stakeholders to distinguish between C19RM (i.e., additional funding) and grant revision flexibilities and, in some countries, inability to attribute any noted improvements in speed or efficiency to the specific grant revision flexibilities introduced.

While the PCE analysis suggests that the COVID-19 operational flexibilities deployed could reasonably be expected to improve the speed and efficiency of grant revision processes, other factors such as greater Secretariat urgency to act quickly and prioritize grant revisions likely also contributed. Evidence from stakeholders in all PCE countries indicated that grant revisions triggered by COVID-19 were faster and more efficient, although the reasons were based on a number of factors, some relating to specific operational flexibilities and others relating to the process more generally:

- CT inputs were deemed to have been provided more quickly and responsively in most countries (Cambodia, Guatemala, Myanmar, Uganda).
- Reduced level of information required through the Grant Revision Request Form (Mozambique).
- Less complex budgetary changes and reduced level of budgeting detail required less discussion/approval in most PCE countries (DRC, Guatemala, Mozambique, Myanmar).
- The use of digital platforms to conduct meetings was helpful in some countries (Uganda, Myanmar and Guatemala), as was the ability to gain electronic approval/endorsement by PRs and CCMs (DRC, Senegal, Uganda). (Box 4)
- Secretariat approvals were also gained more quickly, in line with the set timelines for review, response and approval (Guatemala, Mozambique, Myanmar).

Examples of improvements in speed and efficiency include in **Myanmar**, where the CT was swift in its coordination with the Government of Myanmar and CCM members, providing detailed information of COVID-19 flexibilities, and also in its approval of grant revisions. Likewise, in **Mozambique**, the revision process and tools were straight-forward, easy to understand and less information was required. Stakeholders mentioned that this allowed for a rapid shifting of funds.

Box 4. In **Uganda**, the COVID-19 revision approval process was accelerated due to the emergency nature of the pandemic: *“...The NFM2 revisions towards COVID-19 were quick and consultative, feedback came in fast because there was an urgent need to enhance access to care...”* **Decision making processes were shortened**, for example, PRs informed the CCM of their decisions on what and where they reallocated funds, rather than the usual process of PRs first presenting to CCM committees on proposed reallocations. **Increased use of digital platforms to conduct meetings and make approvals was another factor in streamlining the process:** *“...A number of COVID revisions processes in-country were electronic which made the process faster than usual. So, paperwork was less, meaning that most officers did not have to make movements to people’s offices for approvals and signatures. Once we have strong e-systems, this is something that should be introduced in other aspects of the grants...”*

3.2. NFM3 Grant Cycle: RSSH Investments

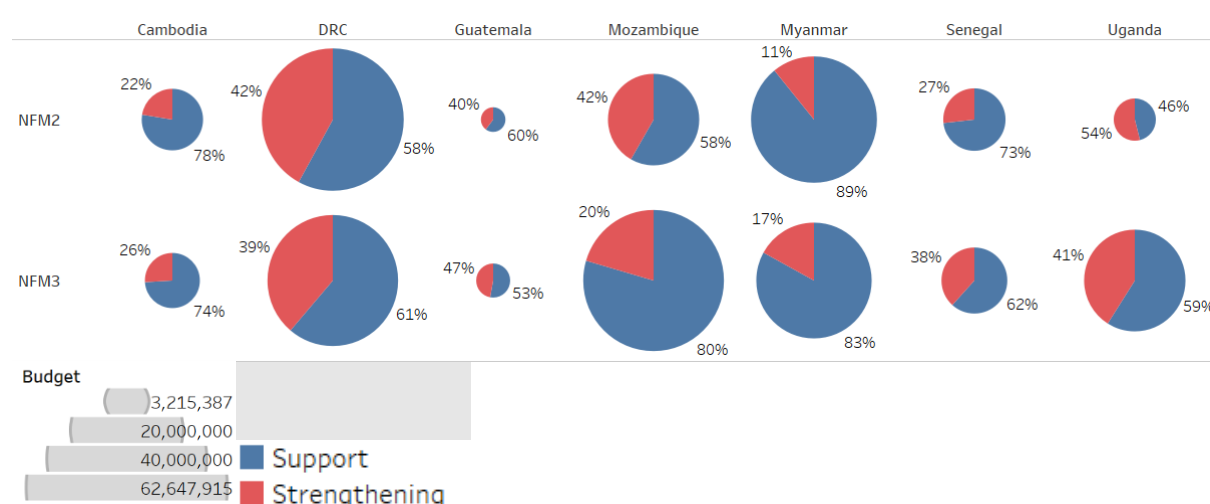
Key findings:

- For RSSH investments, a set of business model and contextual factors explained the predominance of health system support over strengthening investments in final grants, including:
 - The three-year grant cycle;
 - Lack of guidance in allocation letters on how much to invest in RSSH and what types of investments to prioritize to strengthen the health system;
 - Lack of strategic planning around RSSH at the grant design stage;
 - Overall health system resource constraints which lead to RSSH funds being used to fill gaps; and
 - Lack of participation of health systems experts, including from other donors/partners engaged in this space, in funding request design.
- Grant RSSH investments varied in their alignment to national health system objectives and their harmonization with other external partner investments. There appeared to be limited landscape and/or gap analysis to guide how and where to focus Global Fund investments alongside domestic and other donor efforts. Nonetheless there are examples where investments added value to those of others.
- Most grants that included RSSH modules had relatively few RSSH indicators in performance frameworks. Several business model and contextual factors influenced this, including:
 - RSSH performance indicators are not mandatory;
 - Concerns about being held accountable for poor performance on RSSH indicators;
 - Data to assess performance is not readily available and/or expensive to collect; and
 - RSSH performance indicators poorly aligned to investment areas.

3.2.1. Strengthening or Support

Despite calls from the Global Fund to invest more strategically in resilient and sustainable systems for health, PCE analysis indicates that this is not happening, with most NFM3 RSSH investments directed toward interventions that support rather than strengthen health systems even for countries relatively far along the development continuum. This finding supports our 2021 Synthesis Report finding, and early analysis conducted in 2018 by the TRP and reflected in the TRPs 2020 Lessons Learned report. (4) During the extension phase, we updated our analysis to include NFM3 final grant award budgets. The results of our updated analysis still show that across all PCE countries, for NFM3, we see more investment in activities designed to support the health system, than in activities designed to strengthen, as illustrated in Figure 1. **directed toward interventions that support, rather than strengthen, health systems even for countries relatively far along the development continuum.** This finding supports our 2021 Synthesis Report finding, and early analysis conducted in 2018 by the TRP and reflected in the TRPs 2020 Lessons Learned report. (4) During the extension phase, we updated our analysis to include NFM3 final grant award budgets. The results of our updated analysis still show that across all PCE countries, for NFM3, we see more investment in activities designed to support the health system, than in activities designed to strengthen, as illustrated in Figure 1.

Figure 1. Comparison of support or strengthening RSSH investments in NFM2 vs. NFM3, by country.



*Circles are sized according to absolute RSSH budget level (millions) in NFM2 and NFM3 grant award budgets

Decisions to invest in support or strengthening activities were influenced by several business model and contextual factors. Business model factors included the three-year grant cycle, coupled with a strong emphasis on achieving disease program outcomes (Cambodia, DRC, Myanmar, Senegal). Given that many strengthening activities require a longer timeline for implementation, and to achieve results, they are not always well suited to the three-year grant cycle. This is likely exacerbated by a lack of explicit guidance in allocation levels around the appropriate level of RSSH funding which results in an overall under-resourcing of RSSH within disease grants, and by Global Fund guidance on indicative split, which contributes to RSSH investments remaining siloed within, and therefore in service of, the disease grants. In Guatemala and Myanmar, stakeholders cited the lack of participation from health systems experts, including from other donors/partners, during the funding request process as contributing to a high level of investment in support. One key informant emphasized that even in countries which benefited from some engagement of health systems experts, this engagement was probably insufficient given the cross-cutting nature of health systems strengthening endeavors. In Senegal, stakeholders noted the lack of more specific guidance from the Global Fund on how they should invest more strategically to strengthen, rather than merely support the health system. Many of the root causes were more contextual in nature. These included weak sector-wide strategic planning for health systems strengthening more generally (Cambodia, Guatemala, Mozambique, Myanmar) and the wavering leadership from the Ministry of Health to pursue RSSH due to a high level of turnover of MOH leadership at all levels (Guatemala).

Although the PCE found the distinction between support and strengthening to be a useful way of analyzing Global Fund investments in RSSH, this framework did not appear to inform decision maker's choices around RSSH investment design in PCE countries. This reflects a broader disconnect – although the distinction was adopted by the TRP in the RSSH review (5), it is not mentioned explicitly in the RSSH information note (6). The DRC CT presented the 2S framework to country stakeholders during a meeting orienting them to NFM3, however, it is unclear that this influenced a shift in how stakeholders prioritized strengthening or supportive investments during RSSH design.

Most stakeholders understood, at least conceptually, the distinction between health systems support and strengthening, although were uncertain whether and how to apply these terms during the funding request process. Key informants in several countries (DRC, Guatemala, Mozambique, Senegal) emphasized that although moving toward greater investment in strengthening was indeed an important aspiration, supportive activities provide a critical foundation to longer term efforts to

strengthen health systems. For example, a key informant in Senegal explained: *"It's crucial to balance investments considering both aspects (support & strengthening) instead of arbitrarily pre-defining a dollar allocation for each of the two. For example, there is no point in acquiring equipment if the human resources are not trained."*

The 2S framework is not used to guide RSSH investments in country grants. However, using it to analyze grant allocations highlights that, despite the Global Fund's stated intent to invest strategically in RSSH, in reality, these investments are unlikely to achieve this aim without more concerted efforts from both the Global Fund and its partners to support RSSH design and implementation.

3.2.2. Alignment and added value of RSSH investments

Analysis of the NFM3 funding requests suggests that the extent to which Global Fund RSSH investments align to national health systems objectives, and the investments of others, is highly variable. The Global Fund encourages applicants to base funding requests on NSPs for the three diseases that are aligned with the overarching national health strategy/plan for the country. (7) It further guides applicants to make use of the use of the International Health Partnership's JANS (Joint Assessment of National Health Strategies) tool and guidelines to support an aligned and harmonized approach to health systems strengthening.(6–8).

In line with this guidance, across some PCE countries the three disease NSPs contain health systems objectives that are aligned to, if not always comprehensive of, the goals of national health sector strategies/plans. Across PCE countries there are mixed experiences in terms of how well grants are designed to support the achievement of these health systems objectives. While there is evidence of stronger alignment in Cambodia, DRC, Myanmar and Uganda, alignment is weaker in other countries. This is particularly problematic in Guatemala where the lack of strong national leadership by the Ministry of Health and weak strategic plans means that external partners, including the Global Fund, tend to act autonomously. There is also evidence of highly variable approaches taken across the Global Fund's areas of investment in RSSH⁵ in the same country. For instance, in Myanmar, investments in HMIS and M&E are highly supportive of the goals within the National Health Plan (2017-21), yet they are not for procurement and supply chain management (PSM) (Box 5).

Box 5. Alignment of RSSH investments to the National Health Plan in Myanmar

HMIS: A central goal of the National Health Plan (2017-21) (NHP) was to promote a data culture for evidence-based decision making, including establishing a functional HMIS unit with a comprehensive strategy. Specific goals include integrating "the many parallel systems that are currently supported and promoted by vertical programs" and adopting DHIS-2.(9) These goals were reflected in the HIV NSP (2016-20), which aimed to establish, roll-out and use a case-based reporting tool integrated with DHIS-II and strengthen strategic information and research to guide service delivery, management and policy.(10) Good progress was made towards these goals, which the Global Fund supported, including to roll-out DHIS-2, enable data generation and ensure its use in various planning processes.

PSM: Central goals of the MOHS National Health Supply Chain Strategy for Medicines, Medical Supplies, and Equipment (2015-20) and NHP were to build capacity to move to a pull system as per local need, develop a centralized procurement system, computerize and integrate existing parallel systems into one LMIS, build the capacity of supply chain personnel, and update policies and regulations. These goals were reflected in the HIV NSP, with the overall objective to integrate HIV-related PSM systems into one national system. Although there are areas where the GF worked with stakeholders to revitalize and

⁵ For NFM3, health products management and systems strengthening (previously procurement and supply chain management); health management information systems and M&E; human resources for health including community health workers; integrated service delivery and quality improvement; financial management systems; health sector governance and planning; community systems strengthening; and laboratory systems.

implement the Myanmar National Supply Chain Strategy, GF support towards integrating PSM systems into one nationally owned and operated system has been limited. For example, an international procurement agent was used for procurement activities, and main driver of the Global Fund's RSSH PSM budget was for routine procurement costs (e.g., warehouse rental, freight, insurance costs). Other activities included support for the roll-out of m-Supply, focused on HIV and malaria commodity distribution, and logistics management training and supervision, both of which are in line with NSP/NHP goals but have very small budgets. However, considering the risk associated with procurement/purchasing in Myanmar, it was seen necessary to conduct procurements through a well qualified international mechanism. Further, the CCM prioritized underfunded (HIV, TB and Malaria) program areas/activities, leaving less budget for RSSH/PSM activities.

There are also issues in some countries with donor harmonization and there is little evidence of any documented landscape and/or gap analyses conducted to guide where and how the Global Fund could complement and/or add value to domestic and other donor efforts. As compared to the three diseases, where landscape analyses are conducted to assess investment needs and gaps across programmatic areas and which are then used to inform Global Fund investment decisions, no such analysis is required for RSSH.⁶ Evidence from some countries suggests efforts to promote harmonization, e.g., through coordination mechanisms (Senegal), dividing responsibility between partners for different technical areas (DRC) and sub-national areas (DRC and Mozambique). However, overall the analysis suggests a lack of clarity over how Global Fund grant investments add value in the context of other domestic and external resource inputs.

Box 6. In **Senegal**, a national strategic framework existed for 2015-18 outlining gaps and priorities for reinforcing the health system and was used to guide Global Fund RSSH investments for NFM2. However, the plan was not well adopted by the various departments within the government and, for this reason, was not updated or used to guide NFM3. Instead, the NFM3 RSSH investments were based on an analysis of gaps in the disease specific NSPs and national health development plan.

There are nonetheless numerous examples of where Global Fund investments in RSSH do add value to those of others. For example, in several countries (DRC, Myanmar, Senegal), Global Fund guidance and investments led efforts to prioritize greater integration, both of disease service delivery and health systems (e.g., using national instead of parallel systems such as DHIS-2). In Cambodia, USAID has historically supported HMIS and data management and Global Fund investments were used to expand these systems and processes to the three diseases. In DRC, where other donors tend to provide centralized support for health systems strengthening at the national level, Global Fund support is used to roll-out and embed new practices at the sub-national level. In Uganda, Global Fund complemented other partners in strengthening innovative e-solutions, through rolling out point of care electronic information systems at all regional hospitals, whereas the World Bank supported 24 general hospitals and PEPFAR mainly supported ART clinics.

3.2.3. RSSH indicators in NFM3 grants

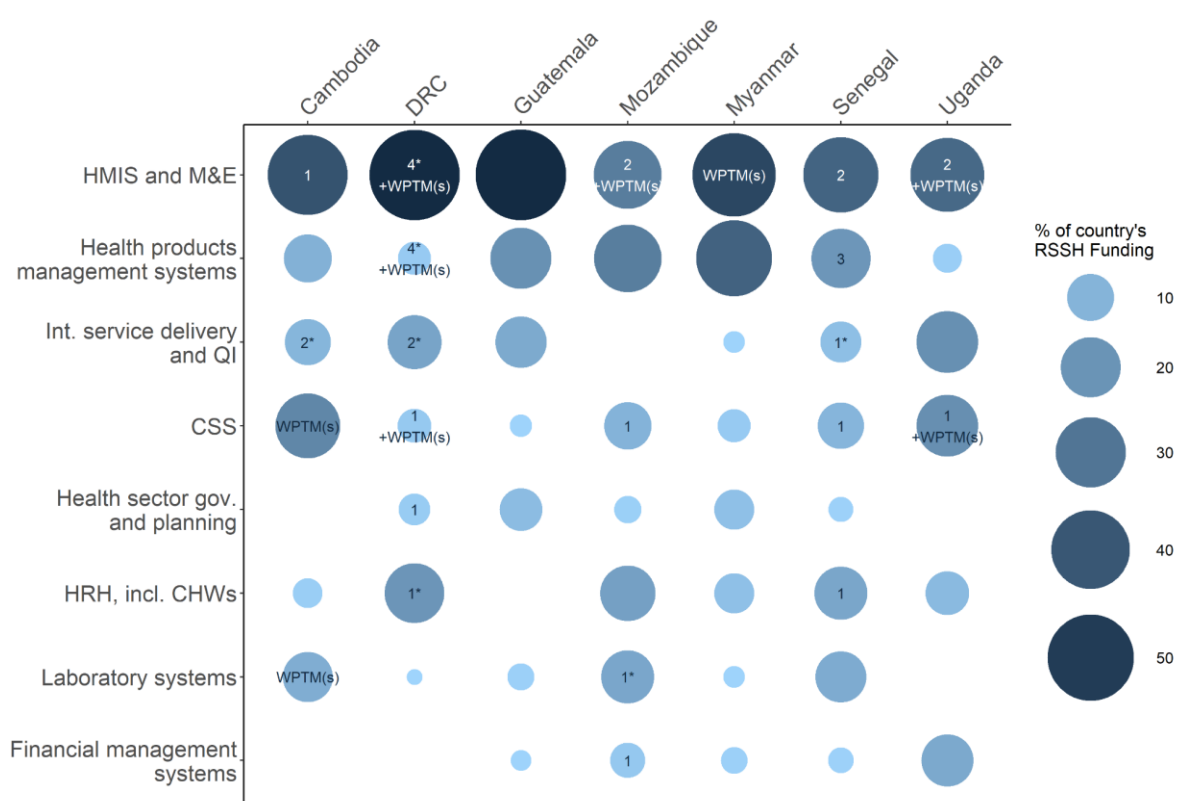
In most PCE countries, grants that include RSSH modules include few RSSH indicators in grant performance frameworks. During the extension, we reviewed final grant performance frameworks and our analysis supports the findings in our 2021 annual synthesis report as few new indicators

⁶ We note that landscape analyses were more general under NFM2 and assessed investment needs/gaps for the NSPs as a whole (rather than by programmatic area) and as such included all programmatic and RSSH areas.

appear to have been added during grant making. DRC represents an exception to this where significant efforts were made to include relevant indicators for nearly all RSSH modules.

In all seven PCE countries, the largest RSSH investments were concentrated within the HMIS/M&E module, and all but Guatemala and Myanmar, included at least one performance indicator for this module. Guatemala did not include any RSSH performance indicators across all modules. Across PCE countries few indicators were included for other modules, and where they were included, they tended to be work plan tracking measures, or custom coverage indicators. Figure 2 summarizes the RSSH investments and associated performance indicators across PCE countries.

Figure 2. RSSH indicators by module, level of investment, and country.



Notes: *Custom coverage indicators included in total;

WPTM = Workplan Tracking Measures, defined in the Global Fund's modular framework as "input and process level measures to track implementation of key activities included in the workplans".

Several business model and contextual factors influenced the absence of RSSH performance indicators. Key informants highlighted several factors explaining the relatively few performance indicators for RSSH, illustrated in Table 2. Constraining factors included the existing reporting burden associated with Global Fund grants, and the fact that it was not mandatory to include RSSH indicators. Moreover, stakeholders did not see the value in reporting RSSH indicator data to the Global Fund, and perceived that there could be negative consequences of including these indicators in reporting. Stakeholders did not want to be held accountable for performance against the RSSH indicators over which they have little influence or where they do not expect performance to be strong. Despite being outside of the control of grant stakeholders, poor performance on these indicators could negatively influence grant ratings and disbursements.

More pragmatically, stakeholders reported that RSSH indicators in the modular framework were not well aligned to Global Fund investments, existing country indicators, or available data sources. The

disconnect between RSSH indicators and country-specific RSSH investments may be in part a result of the large investments in supporting activities relative to strengthening activities (Figure 1), whereas the RSSH indicators are designed to measure coverage changes that would theoretically result from strengthening investments. In some PCE countries RSSH indicators were not included because they did not align with existing country indicators, or the data were not available or would be too expensive to collect. For example, a key informant in Uganda remarked: “...With a data collection and reporting system that is still paper based, and the electronic systems underdeveloped, the capacity to effectively manage many new/additional RSSH indicators is limited.”

Factors that influenced the inclusion of RSSH indicators were observed in DRC and Senegal. In Senegal, six additional RSSH indicators were added during grant making - including five PSM indicators that were explicitly requested by the TRP. While the TRP recommendation resulted in inclusion of additional RSSH indicators, it was met with resistance from the government PR because the new RSSH indicators are not routinely collected or reported by the country. As noted, DRC was an exception among PCE countries where 13 RSSH indicators were included in NFM3 (an increase from 3 in NFM2) to monitor investments across 6 of 7 RSSH modules. This includes several custom indicators which the RSSH working group developed during country dialogue and with CT engagement. The collaborative development of custom indicators, and the fact that DRC had a standalone RSSH grant, contributed to the inclusion of RSSH indicators.

Table 2. Summary of factors influencing inclusion and exclusion of RSSH indicators in performance frameworks during NFM3.

Factors influencing <i>exclusion</i> of RSSH indicators	Factors influencing <i>inclusion</i> of RSSH indicators
<ul style="list-style-type: none"> Existing reporting burden and it not being mandatory to include RSSH indicators (GTM, CAM, MOZ, MMR) Indicators not well aligned to Global Fund RSSH investments (GTM, MOZ, SEN) Stakeholders not wanting to be held accountable for performance against indicators over which they have little influence (GTM, MMR) or where they do not expect performance to be strong (GTM, MMR, SEN) Country stakeholders not seeing value in reporting indicator data to the Global Fund (CAM, MOZ, MMR) Data not being available or expensive to collect and in some cases do not align to existing country indicators (GTM, MOZ, SEN, UGA) 	<ul style="list-style-type: none"> TRP requirement to include RSSH indicators during grantmaking, despite MOH resistance and unplanned cost implications for data collection (SEN) RSSH working group developed multiple custom indicators during country dialogue with CT engagement (DRC) Standalone RSSH grant led to an increase in indicators (DRC)

3.3. NFM3 Grant Cycle: Grant Making

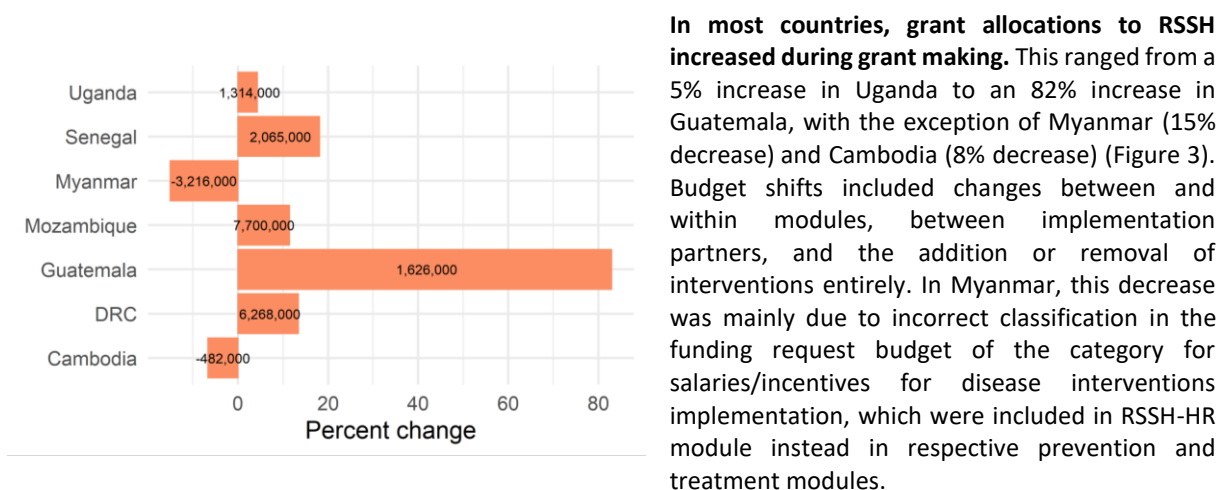
Key findings:

- In five countries, grant allocations to RSSH increased during grant making; while they decreased in two.
- Due to omissions in breakdown of budget by key population (a new tab in the detailed budgets), it was not possible to assess shifts in Equity-HRG during grant making.
- Reasons for changes to budget allocations included: reclassification or changes in budget approach; changes in implementation arrangements; TRP recommendations; and concerns around achieving grant performance (absorption) targets.
- Overall, countries reported country ownership to be higher during NFM3 grant making, compared to NFM2, although this related more to government than civil society stakeholders.
- Despite greater country ownership, final grant budgeting processes remained opaque in most countries and final financial decisions were often made separately from technical discussions. PRs did not always formally communicate changes to implementing partners.

3.3.1. Shifts in HRG-Equity and RSSH investments

Building on analysis previously completed for NFM2, during the 2021 extension, the PCE aimed to explain shifts in RSSH and HRG-Equity investments during NFM3 grant making. To our knowledge, the PCE analysis of shifts during grant making during NFM2 and NFM3 was the first systematic effort to quantify the magnitude of shifts and the major drivers of change.

Figure 3. Change between funding request and grant award for RSSH investments (USD).



Due to omissions in the breakdown of budget by key population (new tab in detailed budgets), in several countries it was not possible to assess shifts in Equity-HRG investments during grant making. For NFM3 HIV grants, the Secretariat attempted to provide greater clarity on the level of investment targeted at KPs, responding to an issue raised by the TERG, TRP and others. This involved a change to the Modular Framework whereby investments for each 'module' (e.g., testing, prevention, etc.) would be broken down to specify which KP the investments targeted. However, non-compliance to this new way of providing this data meant that only half of PCE country Funding Requests and even fewer grant

award budgets provided it. As a result, grant reviewers, including from the Secretariat and TRP, had less information on the extent to which investments targeted KPs than under the old system. It is unclear if/how this affected the review process and/or programmatic targets for these groups. See Table 3 below for a detailed breakdown of which grants did and did not complete the population tab in their funding request and final grant award budgets. Of note, civil society PRs more often completed the new population tab relative to government PRs. In both Guatemala and Senegal, where the new population tab was completed for both the HIV funding request and associated HIV grant award detailed budgets, there was a small overall reduction in total funding for KPs, with shifts due to a variety of reasons as highlighted in Box 7.

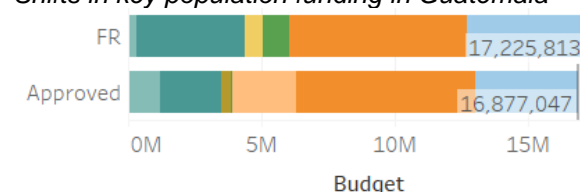
Box 7. Analysis of KP data in Population tab

In **Guatemala**, during NFM3 grant making, funds for interventions targeting transgender people increased while those for sex workers decreased, largely due to misclassification of activities such as Differentiated Testing modules at the funding request stage. Interventions targeting people who inject drugs were dropped during grant making; however, a large portion of funds for key populations remained undefined ('non-specified') and may include PWID.

In **Senegal**, funds for sex workers and MSM increased, both due to greater funds for Pre-Exposure prophylaxis. Funds for testing and behavior change interventions among PWID were reduced but increased for opioid-substitution treatments. Testing among people in prisons also increased. The majority of reductions were in funds for non-specified populations or among all people living with HIV.

Source: Population tab within HIV funding request and final grant award detailed budgets.

Shifts in key population funding in Guatemala



Key Population

- Adolescent girls and young women
- All people living with HIV
- Men who have sex with men
- Non-specified population groups
- Other vulnerable populations
- Partners of people living with HIV
- People in prisons and other closed settings
- People who inject drugs and their partners
- Sex workers and their clients
- Transgender people

Shifts in key population funding in Senegal

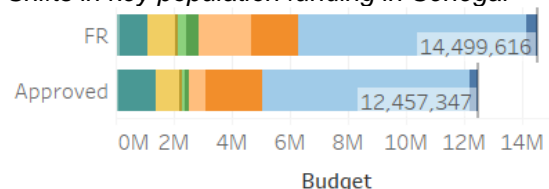


Table 3. Breakdown of grants for completeness of the population tab for the funding request and grant award detailed budgets.

HIV grant	Type	FR budget	GA budget	Notes
MMR-H-UNOPS	UN	Yes	Yes	
MMR-H-SCF	CSO	Yes	Yes	
SEN-H-ANCS	CSO	Yes	Yes	
GTM-H-INCAP	CSO	Yes	Yes	Estimates based on interventions to be implemented by SRs
MOZ-H-FDC	CSO	Yes	Yes	
MOZ-H-CSS	CSO	Yes	Partial*	*Inconsistencies: numbers don't add up
UGA-C-TASO	CSO	No	No*	*Pop. tab not included in template
COD-C-CORDAID	CSO	No	No*	*Pop. tab not included in template
SEN-H-CNLS	Gov't	Yes	Yes	
MOZ-H-MOH	Gov't	Yes	No*	*PR "ran out of time" in grant making, also it was noted that it is hard to allocate KP to the national condom program budget which increased during grant making.
UGA-H-MoFPED	Gov't	No	No	
COD-H-MOH	Gov't	No	No	
KHM-C-MEF/MOH-LIT	Gov't	No	No	Values supplied in the Pop. tab in FR and GA budget files cannot be verified because not linked elsewhere in the budget.

Reasons for changes to budget allocations included: reclassification or changes in budget approach; changes in implementation arrangements; TRP recommendations; and concerns around achieving grant performance (absorption) targets. Many of the reasons for budget changes from funding request to grant making were consistent across both RSSH and HRG-Equity investments. 'Reclassification' can mean: price changes, errors in classifying activities within interventions, and misunderstandings. Most changes appear to be reclassification of cost categories. Some reclassifications were due to errors made during the funding request budget development stage, or due to mistakes made as a result of the format of the budget modules. Another type of significant reclassification was driven by a decision to change the PR for some modules or interventions, as documented in DRC, Mozambique (Box 8), and Senegal.

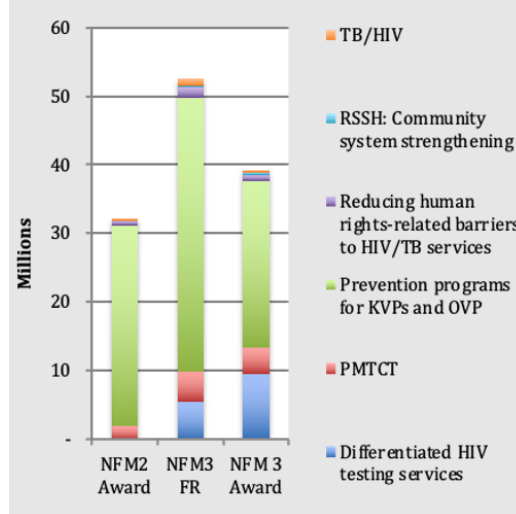
Box 8. In the **Mozambique** malaria grant, an example of this was the shifting of funds between the government and civil society PRs, which meant that management/human resource costs at provincial and district level had to be added. Three interventions were revised or introduced as new (Community-based monitoring, Social mobilization, building community linkages and coordination and Remuneration/deployment of staff). These changes were to enable the PR to host the respective budget for RSSH activities, and were decided by the country stakeholders during grant making.

Half of the grants made changes following TRP recommendations. However, in some grants, much larger changes did not always trigger further TRP review. For example, in Uganda the addition of \$4.3 million to the RSSH module for financial management systems (12% of RSSH funding) during grant making.

Box 9. In Myanmar, a large decrease (\$13.4m) in HIV prevention program funding (green bar) took place during NFM3 grant making due to several reasons:

- Changes in the budgeting approach with new budgeting tools introduced during grant making that led to shifts of procurement budget from HIV prevention to treatment (e.g., diagnostic tools and medicines to treat opportunistic infections);
- PWID MMT funds were dropped due to cost-sharing by the government and other donors; and
- Costs for a KVP differentiated service package needs assessment were removed and covered by UNAIDS.

Shifts in equity-related modules in Myanmar



Two countries (Cambodia and Myanmar) reported budget shifts due to and lack of budget and competing efficiency pressures, which led to PRs prioritizing the achievement of grant prevention and treatment targets over modules/interventions that might be harder to implement. A final set of reasons was to ensure grants are aligned with other donors' agendas.

3.3.2. Inclusivity, transparency and country ownership of grant-making processes

The 2021 PCE Synthesis Report noted that despite greater inclusivity, transparency and country ownership during the 2017 funding request development, this tended to decline during the grant making stage, where key decisions were often taken. We found that those making final decisions on changes to budgets and programs rarely communicated (at the time) to the wider community (the rest of the CCM and the SRs). Therefore, through KIIs in the 2021 extension phase, the PCE sought stakeholders' recommendations on how to enhance inclusivity, transparency and country ownership during the grant making process.

Overall, countries reported country ownership to be higher during 2020 grant making, compared to 2017, although this related more to government than non-government stakeholders. During 2020 grant making, some countries (Cambodia and Mozambique) reported increased country ownership due to improved governance and government leadership; however, country ownership by other stakeholders was still lacking, despite CTs encouraging participation from more stakeholders (Cambodia, Mozambique, Myanmar). Reasons for lack of participation from other stakeholders in grant-making include a lack of clarity around who was supposed to participate (DRC, Mozambique), limited technical knowledge of some stakeholders (Mozambique), time and resource constraints (Senegal), and lack of language translation (Cambodia).

Box 10. In Mozambique, the CT provided strong support to build PR grant making capacity. All PRs (MOH, FDC and CSS) took part in meetings and received information that was intended to build the capacity around grant making. However, PRs still needed to do more to thoroughly prepare both themselves and other stakeholders for meetings. This was particularly evident for RSSH areas. Furthermore, SRs, while included in meetings, often did not fully participate due to lack of preparation and/or technical knowhow.

Despite greater country ownership, final grant budgeting processes remained opaque in most countries and financial decisions were made separately from technical discussions. PRs did not

always formally communicate changes to implementing partners. Half of the PCE countries reported the budget finalization process remained opaque as it was conducted separately from technical discussions around grant strategies and priorities (Cambodia, DRC, Guatemala, Myanmar). Furthermore, once PRs had made decisions, they did not formally communicate or document major changes to the budget to key constituencies (DRC, Guatemala, Uganda) (Box 11). The lack of formal documentation of major budgetary or intervention design shifts, including brief explanations for why shifts occurred, limits overall transparency. Key informants in several countries (Cambodia, Mozambique) encouraged earlier engagement of SRs in the grant making process, as effective and early communication would serve to expedite implementation of the new grants.

Box 11. In both **DRC** and **Uganda**, stakeholders commented that communication materials documenting the major shifts during grant making and reasons for shifts were only shared informally. In Uganda, communication was variable among people involved in grant making, with some giving feedback to their respective constituencies via WhatsApp messages and emails, but which were perceived to be insufficiently detailed and not systematic. In DRC, given the CCM's role in coordinating grant making, some stakeholders indicated they should play a stronger role in improving the transparency of the process.

4. Recommendations

The recommendations below are an updated version of the recommendations in the PCE 2021 Synthesis Report. Findings and suggestions emerging from work during the April-June extension phase have been integrated with the earlier four recommendations. One recommendation, relating to work on grant making, has been added. For clarity, additional language has been indicated, underlined.

Recommendation 1 (revised to integrate findings from the 2021 extension phase): In order to reduce gaps between policy guidance and grant design, improve communication around how to invest more strategically in RSSH, including CSS.

- In the next Strategy, the Global Fund should clarify its position on whether the primary objective of investments in RSSH is intrinsically tied to the management of the three disease epidemics; or whether its goal is more broadly to contribute towards health systems strengthening. (Board, Secretariat Strategy and RSSH teams).⁷
- Within the current Strategy and as the Global Fund moves forward, the Secretariat should improve the consistency of its communication - i.e., across policy, guidance notes and via Secretariat/Country Team communications - on what these objectives are and how to invest more strategically (and less as a gap filler) in RSSH. (Board, Secretariat RSSH team and Grant Management Division)
- Continue to embed the RSSH Roadmap and build on current guidance notes by working with individual countries to clarify specific Global Fund RSSH priority areas and what health system strengthening as opposed to supportive investment would look like for these. This should include ensuring that grant activities have a specific short- and long-term purpose, ownership and accountability structures, and with indicators and targets in performance frameworks that relate to both implementation and intermediate outcomes as well as longer-term outcomes which may span over several grant cycles. (Secretariat RSSH team, Country Teams, PRs, technical partners)
- To facilitate alignment of Global Fund RSSH investments to national health strategies, ensure proper engagement and ownership from health system planning experts and leaders in NSP and Funding Request development processes, and implementation oversight. (PRs, Country Teams, technical partners)
- To aid coordination and harmonization with other partners: (a) work with technical partners to ensure agreed tools/processes for HSS landscaping (e.g., gap analysis) are in place; and (b) support countries to operationalize these tools to guide investment prioritization with both national health priorities and other partner investments. (PRs, Secretariat RSSH team and Grant Management Division, technical partners)

Recommendation 2: In order to improve grant contribution to equity and SO3, explicitly promote grant investments in these areas, including through more direct measurement of the drivers of inequity and of outcomes of human rights and gender investments.

- Invest more in data and data use, including up-to-date KVP surveys as well as other data sources that shed light on socio-economic, gender, geographical and ethnic differences in disease burden and access to services that grants are aiming to contribute to. (Country Teams, national stakeholders)
- Ensure performance frameworks incorporate existing data on human rights and political commitment as well as disease burden and service access amongst different population groups

⁷ This is very much linked to and in support of the SR2020 recommendation that “The next strategy should clearly specify what is required from a health system to ensure financial and programmatic sustainability. Based on this, the strategy should then identify what is realistic and within the scope of the Global Fund to achieve and where this might link to the efforts of others operating in this space. This should include consideration of whether all the current operational objectives are relevant and necessary; whether new areas may merit inclusion, for instance in relation to systems for global health security; and where the Global Fund offers comparative advantage, and its efforts should be focused”.

and use this data effectively to monitor grant contribution to both SO3 and SO1 impact. (Country Teams, national stakeholders)

- Recognizing the success of strategic initiatives and/or matching funds in incentivizing grant investments in reducing equity, human rights and gender related barriers to accessing services, prioritize scaling up across the portfolio and incentivizing such investments through mainstream grant management operations. This should include explicit efforts to improve implementation and where necessary, timely revisions to maximize grant contribution to reducing barriers to care and disease impact. (Grant Management Division, Strategic Initiatives team)

Recommendation 3 (based on evidence gathered during 2021 extension phase): Ensure that in future grant design processes, grant making is as transparent and inclusive as the funding request process, and that greater efforts are made to maximize country ownership of the final grant awards, including participation by a wider group of stakeholders.

- Inclusivity and participation (Secretariat Grant Management Division, CCM, PRs and SRs):
 - Clarify the final grant budgeting process to all stakeholders, including information on who should be involved, what is expected of them, and training where required to improve participation.
 - Where possible, select SRs earlier in the process to facilitate their participation.
- Transparency and country ownership (CCM, PRs, SRs, Secretariat Grant Management Division):
 - Improve transparency by systematically documenting, and sharing with stakeholders, the significant budgetary changes to grant design and implementation, including the rationale and technical consequences of financial changes.
 - Build ownership beyond the national government/Ministry of Health by engaging in more consultation with SRs/CSOs whose activities are changed as a result of grant award budget changes.

Recommendation 4 (including further information from COVID operational flexibilities lessons during the 2021 extension phase): Build in more flexibility and responsiveness in implementation by simplifying grant revision processes to encourage their use throughout the grant cycle.

- Consider flexibilities and streamlining of material program revision process to encourage/reward earlier introduction of innovative programming that maximizes impact and limits non-strategic budgetary shifts to later in the 3-year grant cycle. (Secretariat)
- Introduce flexibilities to PR and SR contractual arrangements and performance frameworks that can be used to introduce mid-term changes as required. (PRs, Grant Management Division)
- Through the Secretariat's planned grant revision review (mid-2021), examine how countries could strengthen data-driven revision decisions (thereby avoiding the over-reliance on financial data to guide revision decisions), in line with establishing a more streamlined, flexible process for program revision. (Secretariat)
- Building on lessons learned from the introduction of exceptional operational flexibilities introduced to minimize the impact of the COVID-19 pandemic on supported programs and Secretariat operations, adapt current periodic budget review processes such that adjustments to scope/scale can be included (akin to a program revision) but with rapid response/turnaround times and a streamlined revision process to reduce the level of burden imposed on stakeholders, such as by (Secretariat Grant Management Division):
 - Clarifying what constitutes a scope/scale revision and relaxing the requirement for TRP engagement for minor changes;
 - Reducing the level of information required from PRs, and possibly the Secretariat, through the grant revisions request forms and wider process;

- Maintaining more flexible and/or electronic PR and CCM endorsement processes and reconsidering the number of different entities required to approve/endorse proposed revisions.

Recommendation 5 (revised to integrate findings from the 2021 extension phase): Improve grant-specific performance monitoring to inform implementation decisions.

- Establish routine grant review processes at the country level with a quality improvement lens, emphasizing grant-specific performance data and drawing on emerging evidence and data to better inform revisions that maximize impact. (PRs, Grant Management Division including Country Teams)
- Implement proposed reforms of the grant rating system to reflect both grant-specific performance and contribution of grants to national program performance. Additionally, this should draw upon qualitative inputs, including expertise of the CCM, LFA, Country Team and wider Secretariat. (Grant Management Division, Strategy Committee, Board)
- Based on the revised grant rating system, develop a set of indicative options to demonstrate how good and poor performance could be responded to, and a framework for deciding when and how to introduce these measures in different contexts and circumstances (Grant Management Division, Strategy Committee, Board).
- In relation to RSSH specifically:
 - Strengthen use of revised RSSH indicators to address delayed implementation and potential deprioritization throughout grant implementation. (PRs, Grant Management Division including Country Teams)
 - Support country stakeholders to ensure that appropriate indicators are included in Performance Frameworks to monitor RSSH investments and progress towards health systems strengthening, at least for larger RSSH investments in the portfolio. (Secretariat Grant Management Division, PRs)
 - Ensure that indicators add value to national efforts to track progress towards RSSH as well as support Global Fund efforts to measure RSSH outcomes. Where appropriate, they should harmonize with other global M&E frameworks for HSS, primary health care and pandemic preparedness. (Secretariat Grant Management Division, MECA Department, TRP and technical partners)
 - Ensure performance incentives posed by the business model do not deter investment in health systems strengthening. (Secretariat Grant Management Division). Potential actions could include:
 - Set grant targets over successive grant cycles, perhaps with interim targets for each grant cycle (this would need to be informed by a longer term RSSH investment strategy).
 - Measure RSSH implementation progress that directly relates to PR actions, ensuring other engaged stakeholders, including Ministries of Health and Finance, are held accountable for implementation progress on activities for which they are responsible.
 - Enable more flexible use of grant funds and/or make concessions on reporting of absorption, such that poor rates of absorption for RSSH do not reflect poorly on PR performance.

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