

# **Update on Strategy Implementation Preparations 47<sup>th</sup> Board Meeting**

GF/B47/09/A

10-11-12 May 2022, Geneva / Virtual

## **Board Information**

Purpose of the paper: This pre-read paper for the Board's informal retreat complements the Strategy Implementation Update slide deck to provide a progress update on Secretariat preparations for implementation of the new Strategy.

## Introduction

1. This pre-read paper for the Board's informal retreat provides a short summary of discussions and progress on the development of the new Strategy and Secretariat planning for its implementation, including the Theory of Change (ToC) and what will be different as we plan to implement the new Strategy. Detailed discussion of what will be different in each of the 10 areas begins from paragraph [15] and additional information on RSSH will be provided in advance of the Board retreat. The paper outlines next steps, including Board and Strategy Committee (SC) engagement as we approach the 7<sup>th</sup> Replenishment and launch of the first cycle of grants under our new Strategy. This paper accompanies the Update on Strategy Implementation Preparations slide deck (GF/B47/09/B), which more fully presents details on the ToC and ongoing planning for implementing the Strategy and 10 changes.

### Section 1: Strategy progress and discussions to-date

2. Over the course of 2020-2021, and in a rapidly evolving COVID-19 pandemic context, the Global Fund partnership came together to develop its new Strategy to get us back on track towards achieving the 2030 goals. This inclusive and highly consultative process gathered input from across our partnership's stakeholders, including through a 5,500-participant open consultation, regional Partnership Forums, input from the Technical Evaluation Reference Group (TERG), Technical Review Panel (TRP), Office of the Inspector General (OIG) and through more than 25 meetings of the SC and Board. Considering lessons learned and strengths from over 20 years, the process tackled the most challenging questions facing our partnership, including the Global Fund's role in supporting countries to build RSSH, in contributing to pandemic preparedness and response (PPR), the critical role of communities and community systems, and how the partnership can be most catalytic and build sustainability through our work to end the three diseases.
3. The new Global Fund Strategy, approved by the Board in November 2021, outlines the key areas of focus and change needed to achieve our vision of a world free of the burden of AIDS, TB and malaria, with better, equitable health for all. The Strategy clarifies that the partnership's primary goal is to end the three diseases, with people and communities at the center of our work. Achievement of the primary goal will be supported through building integrated, people-centered quality services, maximizing community engagement and leadership, ensuring that equity, human rights and gender equality are a critical focus throughout our work, scaling up domestic and external resources, and by contributing to PPR through an evolving objective. The new Strategy also highlights 10 key changes needed to achieve these aims. These changes span the Strategy, from an intensified focus on prevention across the three diseases, to accelerating the equitable deployment of and access to innovations, including through a next generation market shaping approach.
4. In November 2021, while approving the new Strategy, Board members underscored the need to move towards preparations for implementation and requested the Secretariat to *"update the SC and Board on the approach for preparations for Strategy implementation"*

*at their meetings in March 2022 and May 2022 respectively*".<sup>1</sup> Specifically, the Board requested the Secretariat "to develop, for presentation to the Strategy Committee in March 2022 and subsequently the Board in May 2022, an approach for Strategy implementation with a focus on delivering the key changes outlined in the Strategy using all existing levers and identifying where new solutions will be required".<sup>2</sup>

5. In advance of the November 2021 Board meeting, the Secretariat provided the 'Next Steps on Preparations for Strategy Implementation',<sup>3</sup> confirming that preparations for implementation had commenced, and highlighted the key roles and responsibilities across the Board, SC and Secretariat to prepare for the first cycle of grants under the new Strategy, including critical upcoming SC and Board decisions. The Secretariat committed to update the SC and Board on preparations for implementation of the new Strategy as requested, while noting this work would continue to be a work-in-progress particularly during the first half of the year.
6. At its 18<sup>th</sup> meeting, the SC received an update on planning for Strategy implementation, including an overview of the ToC and specific updates on draft actions to implement the 10 key changes. Discussions at the SC were challenging and while the SC recommended two decisions to the Board (Eligibility Policy; and the Allocation Model) and took one decision (TRP Terms of Reference) critical to launching grants under the new Strategy, the approval of the Allocation Model was not unanimous due to questions on strategy implementation, particularly on RSSH. These questions are not addressed by the allocation formula itself, which determines the amount of funding for eligible country components and does not dictate how country allocations are operationalized or used to build RSSH. The SC meeting concluded with requests for additional discussions on preparations for Strategy implementation with the SC and Board.

## **Section 2: Strategy implementation planning update**

### *Overview*

7. With the approval of the new Strategy in November 2021, preparations for its implementation began with heavy engagement of teams across the Secretariat and will continue throughout 2022. The "Strategy Delivery" initiative aims to ensure that the Secretariat is prepared to implement the new Strategy through defining and aligning on what needs to change, how Global Fund operations need to be refined or adapted to embed these changes, and how to monitor that the expected benefits are realized.
8. Strategy Delivery has focused planning on the 10 key changes articulated in the new Strategy and will be complemented by the Secretariat's existing annual work planning process to ensure coverage of the broader Strategy. Cross-functional Secretariat Strategy Delivery working groups have been established and tasked with developing operational plans for each key change, leveraging collective experience and expertise. Problem statements, scope, visions for success, work areas, and change levers for each key change have been defined and presented to the March SC. Since the March SC meeting,

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<sup>1</sup> Page 9, [Report of the 46th Board Meeting](#), GF/B46/22

<sup>2</sup> [GF/B46/DP03](#)

<sup>3</sup> [GF/B46/21](#)

this thinking has been further refined by teams and updated slides reflecting SC feedback have been shared with the Board (GF/B47/09/B). Teams have now started assessing potential operational implications, including the impact on policies, people, systems, processes and OPEX.

9. Several upcoming Board decisions are critical for a smooth and timely transition to the new Strategy and the next grant cycle, including decisions on the Eligibility Policy, Allocation Methodology and Catalytic Investments (CIs) for the 2023-2025 period, and the Key Performance Indicator (KPI) and Monitoring and Evaluation (M&E) Frameworks, among others. By the end of 2022, and hopefully with at least a US\$18 billion Replenishment, we will have determined country allocations and co-financing requirements. We will have also ensured that the relevant Access to Funding processes and systems are fit-for-purpose to support countries to engage in the development of high-quality funding requests over 2023 to be operationalized into grants that will ultimately deliver on our new Strategy.

### *Theory of Change*

10. The Global Fund partnership has a well-established and proven ToC based on the principles of country-ownership, evidence-based interventions and a multi-stakeholder partnership. The Global Fund seeks to address the largest pandemic threats in the highest burden and lowest income countries by raising and investing additional funds in partnership with governments, civil society, technical agencies, the private sector and people living with and/or affected by the three diseases. Investments are country-owned and prioritized, rigorously and independently reviewed, implemented by local partners and managed for performance. Within the broader health ecosystem, this ToC differentiates the Global Fund's work from other essential global health actors and functions, such as WHO's leadership role on norms and standards, UNITAID's on accelerating upstream innovations, and GAVI's on vaccination.
11. The new Strategy refines this ToC in specific areas to articulate and plan how the Global Fund's actions, efforts, and investments, working in partnership with others through a series of 'levers,' can put greater emphasis on certain elements to accelerate progress, enhance impact, and ensure sustainability of investments. Ranging from what the Global Fund allocates funds for, to what countries are asked to prioritize in funding requests, to how prioritization and performance of investments are managed, 'levers' are the key aspects of the Global Fund model that are being used and adapted by the Secretariat to drive and shape investments in key areas of Strategy Delivery. Progress through a set of interconnected change pathways, aligned with the 10 key changes, is modulated by the Global Fund's successful application of its levers as part of Strategy Delivery and is based on a set of underlying contextual assumptions and enablers, including clear roles and accountabilities of partners. Global Fund teams are using this ToC logic as they focus on the key changes identified by the new Strategy and to inform Strategy Delivery efforts.

12. Based on TERG feedback, more explicit connections to the Strategy Objectives are included in the ToC. The change pathways contribute to the achievement of medium- and long-term outcomes that in turn advance impact as defined by the Strategy. These outcomes are particularly important to guide development of the M&E Framework by informing the key questions and insights for which data is required to measure progress of the change areas and achievement of outcomes, as well as to prioritize the most critical measurement areas for Strategy-level key performance indicators. The Secretariat will continue discussions with TERG on strengthening the ToC to guide M&E focus and priorities.

*Comprehensive, coordinated Strategy implementation preparations*

13. The Secretariat is undertaking multiple, concurrent, and linked actions in 2022 to successfully launch the new Strategy. Significant work lies ahead to embed changes into the next cycle of grants. Strategy Delivery plans will inform several related areas of work at the Secretariat including, but not limited to:

- **Proposals for core funding policies:** The shifts in the new Strategy's focus are being reflected in our core funding policies, including the Allocation Methodology and CI priorities, to spur programmatic change in areas where substantive improvements are most critical. The aim in this grant cycle will be to ensure that CIs are informed by implementation experience, are as targeted as possible, and respond to gaps that cannot be fully addressed through country allocations alone.
- **Updates to grant processes:** Global Fund grants are the primary means for implementing the new Strategy. Critical changes to grant processes, including the funding request and grant-making processes, are being reviewed within the context of Strategy Delivery, with some changes already reflected (e.g., revisions to the TRP TORs<sup>4</sup>). Corresponding changes to Secretariat systems (e.g., Grant Operating System) will also be made.
- **Workforce planning:** Strategy Delivery plans will inform the mix of Secretariat capacity and capabilities required for successful implementation of the new Strategy. Workforce planning will in turn inform OPEX allocation.
- **Costing of the Strategy:** Strategy Delivery planning will be a key input into the costing of the Strategy and on-going Audit and Finance Committee (AFC) discussions on the 2023 and three-year OPEX budget ceiling.
- **Development of monitoring frameworks:** The new KPI and M&E Frameworks are under development. These frameworks are, and will remain, the main tools for ongoing performance management of the Global Fund.

14. Board members have often asked “how does it all come together at the Secretariat?” Given the interdependencies involved and to ensure coherence across the change levers to be used, the same Secretariat staff members are engaged across multiple areas of planning and work. For example, the TB team is co-leading the TB Incidence Reduction

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<sup>4</sup> GF/SC18/DP04

Strategy Delivery working group to identify appropriate change levers to better deliver the TB outcomes described in the Strategy. Concurrently, the TB team has contributed to partner discussions to define CI priorities and amounts, while also supporting revision of the TRP terms of reference to support and improve the quality of Global Fund grant review and approvals and leading discussions on M&E and new revised KPIs for TB. Other technical teams, including HIV and Malaria, RSSH, CRG, Supply Operations, and Health Financing are similarly overseeing updates and revisions across key areas of work in conjunction with Grant Management (GMD), Access to Funding (A2F) and Strategy and Policy Hub teams to deliver the new Strategy. Finance and Human Resources teams are using this information and planning as the basis of workforce planning and OPEX costing.

*What will be different?*

15. A question at the heart of the Strategy Delivery work is how things will need to be done differently to deliver on the ambition of the new Strategy, especially on the 10 key changes. This simple question belies significant complexity, with Strategy Delivery building from successes, addressing challenges, and implementing key levers to address needed changes across priority aspects of our funding model. Many of these changes are being driven by the Secretariat, but greater impact requires adjustments to be made across our partnership of implementer governments, communities, civil society, technical and development partners, and the private sector. Without a question, changes will need to be tailored given the diversity of country contexts.
16. At the SC's 18<sup>th</sup> meeting, the Secretariat shared early thinking on Strategy Delivery planning for the 10 key changes, including preliminary problem statements, scope, 3-year vision of success, work areas and change levers. These work-in-progress summaries have been updated based on input received from the SC and further Secretariat thinking. Several preliminary cross-cutting themes have already emerged including, among others: 1) ways to be more directive in critical areas of impact while balancing country ownership through setting quality standards, including recommended tools, products, program elements, and best practices, as part of funding applications; 2) the need for revisions and adaptations to the funding request and grant-making processes, including updates to technical guidance, allocation letters, funding request templates, Country Coordinating Mechanism (CCM) representation and TRP review; 3) emphasis on improving the availability, quality and use of data for country-level decision-making through new indicators, sub-national data, health financing data, and increased analytical capacity, while avoiding setting up burdensome and parallel data systems; and 4) the criticality of an all-partnership approach to increasing the scale and effectiveness of total health financing to deliver the new Strategy.
17. A summary of current Secretariat thinking on the potential change levers to be used and actions to be undertaken to prepare for the 10 key changes and effectively implement the new Strategy include:

- TB Incidence Reduction:** With partners, **scale-up TB responses** through defined **quality standards** on screening and testing, early and accurate diagnosis, and quality treatment, and support National Tuberculosis Programs (NTPs) and partners to effectively implement and monitor quality standards. **Support NTPs** to play strong coordination and stewardship roles for inclusive and integrated TB services and enhance **representation of TB communities in CCMs**. Conduct cost effectiveness analysis to **reduce large inefficiencies in TB care** and **leverage co-financing/innovative financing** to increase overall funding levels. **Reduce prices for key products** in TB preventative therapy, diagnostics, and drugs through market shaping. **Design and implement effective CIs** that drive progress on finding missing cases and enable early and **rapid adoption of latest recommended TB regimes and new tools** at country level. Continue **rapid scale-up active case-finding and intensify focus on inclusive, integrated and people centered quality TB care** in priority countries with landscape analyses of TB partnerships and stakeholders (including community organizations providing TB services), identifying barriers and opportunities to **expanding TB partners and non-state implementers**.
- HIV Incidence Reduction:** Intensify focus on **~20 incidence reduction priority countries** and **enhance portfolio analysis** to define prevention gaps, outcome expectations, ambitious co-financing incentives and support for country-driven prevention innovations to address unmet prevention needs throughout the grant cycle. With partners, define **quality standards for HIV prevention** and monitoring to assess quality during grant implementation, building **Principal Recipient/government accountability** and **new partnerships** for prevention. Monitor performance through establishing regular **prevention implementation reviews** led by the national program and supported by partners (including PEPFAR) to optimize program delivery and enhance prevention Technical Assistance support. **Improve measurement of prevention outcomes**, moving beyond coverage monitoring and routinizing data that guide targeting of prevention interventions. **Strengthen capacity of prevention Principal Recipients and Sub-recipients** for data use.
- Malaria Incidence Reduction:** Stratify, prioritize and **tailor programs** to the local epidemiology and context, leveraging partner support for National Strategic Plan and funding request **scenario analysis** while **building in-country capacity for analysis** in the longer-term, and **adaptation of the global M&E framework to support sub-national tailoring**. With partners, define **quality standards** and monitoring to assess quality during grant implementation. Joint work with partners to **support program shifts in grants** to optimal intervention mix, rapid adoption of innovative products and interventions, optimization of vector control investments and coordination to address ITN durability. Evolve **capacity building to focus on management skills** at national/subnational level, **more inclusive discourse** across in-country stakeholders and **improved coordination** through **strong partnerships and joint vision with new WHO, PMI, RBM leadership**. **Improve the Secretariat support model** to maximize

implementation success through **enhanced disease-specific M&E capability** and dedicated country-facing malaria program implementation expertise. Stronger **evaluation and planning related to impact of climate events/change** on malaria.

- ***People-centered Integrated Systems for Health:*** Incentivize increased funding for integrated, people-centered systems and services by **leveraging matching funds** for integrated systems for health, increasing specificity and **strength of co-financing requirements** to encourage RSSH investments, and promoting **increased quality of RSSH investments** in the allocation letter. **Enable high-quality design** of integrated services/systems programming by **updating funding request templates and guidance**, including a programmatic gap table for RSSH priority areas to prioritize investments and encourage engagement of appropriate authorities/entities for investments in systems for health, **incentivizing integrated funding requests** in select countries based on long-term RSSH strategies, and **strengthening RSSH representation on CCMs** to ensure strategic oversight of investments. Support successful delivery of integrated services/systems programming through **integration of non-HTM commodities** and/or **working with non-traditional partners** to fund these to deliver more integrated service packages, and stimulating the **use of community-led monitoring (CLM)** data into country-level, program review meetings.
- ***Pandemic Preparedness (PP):*** **More purposeful investments** in integrated, people-centered RSSH and resilient HTM programs better able to prevent, detect and respond to infectious disease threats by **strengthening multi-pathogen capabilities** in areas such as regional and national surveillance systems, genomic sequencing capabilities, laboratory systems, **community engagement** in PP processes, and through building dual-use **human resources for health** to deliver outcomes against HTM, related areas of health and for early detection and response to novel outbreaks. Operationalize efforts to **strengthen PP capabilities through country allocations** and, for areas that particularly require incentivization, **integration into RSSH CI proposals** (e.g., on incentivizing RSSH quality and scale, data, community systems and responses, labs and diagnostic networks). Integrate a **focus on building PP capabilities** throughout the grant lifecycle and continue to engage in **discussions and decision-making about future improvements to the global pandemic preparedness and response architecture**. **Measure the Global Fund's impact** in contributing to building PP capabilities through the Strategy's KPI and M&E Framework.
- ***Health Equity, Human Rights, Gender Equality:*** Integrate gender equality, human rights and health equity dimensions across the M&E framework. Require human rights, gender equality and health equity **analysis in funding proposals**, create guidelines and provide support to ensure that the analysis informs programs and budgets. **Expand matching funds to more high-impact portfolios**. Develop **standard grant review criteria** to assess for equity, gender responsive design, responses to human rights and gender related barriers. **Integrate equity criteria in**



**assessment, approval, design and implementation across all approved CIs.** Establish how best to **incorporate equity into risk frameworks** for identification, monitoring and mitigation of equity-related risks across the portfolio. **Work proactively with ministries responsible for gender**, particularly to embed HTM as a pillar of national gender equality strategies and increase their participation in Global Fund-related processes, including on CCMs. Strategically **deploy the Secretariat's diplomatic voice** to respond to emerging challenges at the country level and across the grant lifecycle.

- **Service Delivery by Community-based/led orgs (CBO/CLOs): Scale-up of high quality, impactful CLO/CBO responses** to HIV, TB and malaria (including CI to drive greater focus on underlying community system needs for CLOs/CBOs), with **updated guidance** on the role and comparative advantage of CLO/CBO led interventions in optimal program design. **Promote existing flexibilities in grant architecture** and assess the feasibility of **simplified grant structures to facilitate inclusion of CLO/CBOs** (e.g. contracting, implementation alternatives to PR/SR roles). **Explicitly encourage selection of CLO/CBO implementers**, based on consistent operational definitions for CLO/CBOs, and prioritized investment in high-quality CSS/CLO/CBO-led interventions in grant design and portfolio optimization/program revision. **Strengthen Secretariat capabilities in CLO/CBO systems strengthening and disease responses** and align through **cross-partner CSS/CLO/CBO response coordination platform**. **Evolve risk management and assurance** mechanisms to address implementation risks and improve monitoring and evaluation of community led and based intervention coverage and effectiveness.
- **Voice for Communities: Strengthen meaningful community engagement** across the full grant lifecycle, including developing and applying **minimum expectations** for community engagement across all phases. **Evolve CCMs** to improve community representation and engagement, promote better use of data and more effective communication platforms. Establish **'community technical situation rooms'** and periodic country-level community dialogue to ensure ongoing community engagement through grant implementation phase. **Strengthen partnerships** with communities across the three diseases and **expand engagement with non-traditional community actors**. Support development of **community engagement plans** for target countries through CIs and **build resource mobilization advocacy capabilities** of civil society and community networks. Proactively **leverage the Global Fund's diplomatic voice** to advocate for values such as community representation in governance and decision-making.
- **Health Financing:** Leverage larger health financing team to embed **focus on using health finance alongside grants as strategic tools** to leverage wider resources to drive programmatic aims and impact at country level. **Strengthen design and impact of co-financing commitments** through strategic engagement, enhanced guidance,

robust negotiations on design and realization of commitments, stronger linkage of financial and programmatic results, and enhanced visibility of co-financing in review mechanisms. Explore approaches to **better enable and support blended finance / joint investments with Multilateral Development Banks (MDBs)** to increase impact, including **enhanced Framework Agreements with MDBs** that streamline transactions, specify leverage for deals and TA. **Improve Secretariat capacity to deliver blended finance deals** at scale with lower internal transaction costs and clarity for partners. Strengthen support for **technical assistance to enable governments' buying services** from external providers (including piloting more social contracting from Global Fund grants.) **Enhance approach to tracking value-for-money** in Global Fund grants, increase focus on value-for-money in new product introductions and **strengthen focus on health financing data** for to inform rigorous co-financing performance.

- **Equitable Introduction & Scale Up of New Tools & Innovation: Maximize partnerships** to shape demand for products, accelerate introduction timelines and secure early access. **Enhance operational guidance**, including on adoption of WHO guidance, enhanced value-for-money/cost effectiveness guidance, transition guidance and focused and intentional use of country demand levers. **Define approach to, and embed total cost for, product transition** into grant design, portfolio optimization and country dialogue processes. **Enable quality implementation support and capacity building** to help facilitate in-country readiness and faster adoption of relevant guidance. **Collaborate with partners** to support in-country regulatory capacity, technology and value-for-money assessment capacity and other country demand levers. **Review potential for accelerated introductions** with consideration of regulatory pathways and clinical guidelines, as well as expanded access to pooled procurement mechanisms.

18. More details on planning for these shifts and related levers is available in the accompanying slide deck (GF/B47/09/B) on Strategy implementation.

### Section 3: Next steps

19. Strategy Delivery planning will continue throughout 2022. The SC and Board will be provided with updates at the July and October SC meetings as well as at the May and November Board meetings, and critical decisions are on the SC, AFC and Board's 2022 workplan on catalytic funding, OPEX, M&E and KPI Frameworks among others that directly impact critical aspects of Strategy implementation. Additional Board and SC decisions will be required on an ongoing basis to address policy issues arising from or to enable implementation of the Strategy. Secretariat preparations will continue with a focus on the following key areas:

- **Finalization of Strategy Delivery operational plans** for each of the 10 key changes, including rationalization across the different plans, with specific actions prioritized further and sequenced.

- **Grant cycle launch planning** is underway with A2F and GMD working to translate the proposed change levers into updated grant lifecycle materials (e.g., funding request templates, budget template, information notes and guidance documents) for a Q3 launch to ensure adequate time for change management with all stakeholders.
- Planning for **operationalization of CIs** will pick up in pace in Q2-Q3, in line with the Board's approval of catalytic priorities and amounts in May. The intent is to agree on the countries of focus to enable the Secretariat to communicate information on CIs in the allocation letters.
- **Holistic Division/Department planning** will begin in May with teams tasked with planning for the next 3 years, based on the Strategic Objectives, incorporating recommendations and change levers related to the 10 Key Changes and lessons learned from the previous cycle. These plans will provide critical insights into OPEX costing scenarios to be shared with the AFC in July as part of the on-going discussion on costing the Strategy.
- The annual **OPEX budgeting process** occurs from June-September to allocate cyclical and priority OPEX resources based on the 3-year delivery plans. The outcomes of this budgeting process will be shared with the AFC for input and Board for approval in November.
- Consultations on the **KPI and M&E Frameworks** continue, with approval to be requested in November. Continued consultations with the SC and Board are being planned on this topic.

20. Reporting on the implementation of the last year of the current Strategy will continue through Strategic Performance Reporting, Country Funding Updates and Risk Management Reporting. Further discussion with the incoming SC leadership can consider additional refinements to improve future strategy implementation reporting at the SC and Board level. In the near-term (July and October 2022), SC discussions and recommendations will be focused on critical decisions for the next cycle of grants, including a decision on the qualitative adjustment factors for the 2023-2025 allocation period and the future of the wambo.org non-grant financed pilot. In line with timelines for the TERG reviews, the July SC meeting will discuss TB prevention and community engagement and community-led responses in which the discussions will contemplate not only past implementation but also how these will be considered in the context of the new Strategy and strategy implementation. Similarly, the October/Fall SC meeting will build from TERG reports to engage in a more in-depth discussion around RSSH and the Challenging Operating Environments policy with both a retrospective and prospective lens.

21. We look forward to further discussion with the Board and SC on these topics at the informal retreat, as well as critical upcoming decisions needed to launch grants under the new Strategy and ongoing performance reporting on our progress.