

44th Board Meeting

Report of the Executive Director

GF/B44/03

11-12 November 2020, Virtual
Geneva, Switzerland

Board Information



Contents

Introduction	3
1 Progress Against our Priorities for 2020	4
i) Actively support countries to develop high impact grants for the next three-year period	4
ii) Drive impact from current grants in their final stage	6
iii) Begin planning and consultations for the next Global Fund strategy	11
iv) Reinforce capabilities and impact on key strategic priorities	11
v) Improve efficiency and effectiveness	12
vi) Invest in people	13
2 Our Response to COVID-19	15
i) Keeping our people safe	15
ii) Protecting our core mission	16
iii) Helping countries respond to COVID-19	17
iv) Playing our part in the global response to COVID-19	18
3 Our Priorities for 2021 and Beyond	21
i) Mitigate the impact of COVID-19	21
ii) Launch next cycle of grants	23
iii) Drive efficiency and effectiveness	24
iv) Invest in people	25
v) Finalize the next strategy and prepare for implementation	26
vi) Prepare for the Seventh Replenishment	27
4 Concluding Observations	28

Cover photo:

Tuberculosis outreach workers in Lagos Nigeria, prepare to set out to collect sputum samples and raise awareness about TB in their communities in June 2020.

Introduction

Dear Board Members, Colleagues, Friends,

It is an understatement to say that 2020 has not turned out as anticipated. We began the year energized by the prospect of converting a 23.4% increase in country allocations into a significant step-up in impact in the next grant cycle, getting us back on track towards the goal of ending the epidemics by 2030. We approach the end of the year grappling with an entirely different reality: further off track on HIV, tuberculosis (TB) and malaria; battling COVID-19; and with our whole operating model upended by restrictions on travel and the requirements of social-distancing.

In this context we have much to be proud of. While I would not underestimate the extent to which we have been knocked off course, the immediate worst-case scenarios for the impact of COVID-19 on the fights against HIV, TB and malaria appear to have been averted. We have moved swiftly to create innovative mechanisms such as the COVID-19 Response Mechanism (C19RM) and the ACT-Accelerator to support countries' efforts to respond to the pandemic. We have switched to a travel-free, largely digital mode of operation far more smoothly than I would have anticipated. The Global Fund partnership has once again proved to be resilient, flexible and effective, simultaneously staying focused on our core mission and responding to the unprecedented challenges posed by the pandemic.

Yet we are far from getting through this global crisis. 2021 will be immensely challenging. Despite COVID-19, we must step up the fight against HIV, TB and malaria, clawing back the ground lost in 2020, and accelerating progress towards our goals. Despite COVID-19, we must step up the pace of progress in strengthening health systems and tackling human rights and gender-related barriers to health. And we must play our part in the fight against COVID-19, leveraging our unique capabilities as a partnership to save lives and ensure that in the fight against COVID-19, as in the fights against HIV, TB and malaria, we leave no one behind.

The refresh of our strategy could not be more timely. The world of global health has already been totally transformed by COVID-19. We must re-envision our role for this new reality. The fights against HIV, TB and malaria will remain our core mission. But how we frame these fights in a context dominated by COVID-19 will determine the scale of our impact and the success of the next replenishment. Never has a strategic review been more important.

I cannot address all these issues in this annual report. However, by taking stock of the year we have been through, and laying out our priorities for the year ahead, I hope to set the scene for the important discussions we will be having at this Board meeting and in our ongoing strategy discussions. To this end, this report is structured in four parts:

- 1) An assessment of our **progress against our priorities for 2020** that I put forward at last November's Board meeting
- 2) A brief recap of our **response to COVID-19**, building on the update recently provided to the Committees
- 3) An early view of **priorities for 2021 and beyond**
- 4) Some **concluding observations**

Note that as in previous years, this report does not attempt to be an exhaustive depiction of the Global Fund's activities during the year but is deliberately selective.

1 Progress Against our Priorities for 2020

This time last year I shared six priorities for the Secretariat for 2020. Our progress against these priorities has been less consistent than in previous years. In some areas progress has been directly disrupted by COVID-19, while in others we deliberately decided to defer initiatives to focus our depleted resources on critical priorities. Yet despite the extraordinary challenges we have faced, our progress on many fronts has been impressive.

FIGURE 1

Secretariat Priorities for 2020

i	Actively support countries to develop high impact grants for the next 3-year period
ii	Drive impact from current grants in their final stage
iii	Begin planning and consultations for next Global Fund strategy
iv	Reinforce capabilities and impact on key strategic priorities
v	Improve efficiency and effectiveness
vi	Invest in people

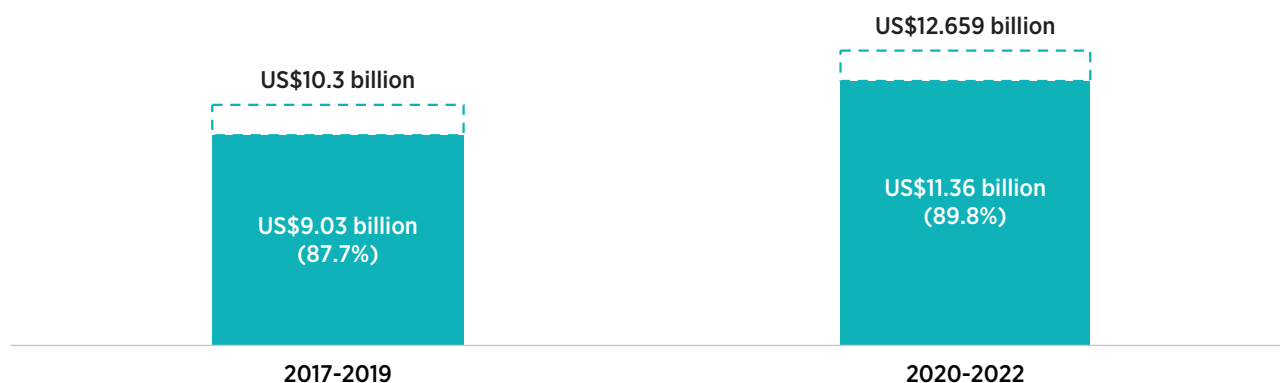
i) Actively support countries to develop high impact grants for the next 3-year period

Through the immense efforts of Country Coordinating Mechanisms (CCM), Country Teams, the Technical Review Panel (TRP), technical partners and departments across the Secretariat, most countries are on track to sign high quality implementation-ready grants by the beginning of the next cycle. By adapting swiftly to remote working and by investing to address specific bottlenecks (for example, TRP capacity and CCM functioning), the Global Fund partnership has, for the main part, succeeded in keeping this crucial process on track. It is a remarkable achievement, and testimony to the commitment of our staff and partners, that about US\$11.4 billion of allocation funding will have been reviewed and recommended by the TRP by end 2020, nearly 90% of the initial allocated amount, compared to US\$9.0 billion and 88% at the same point in the last cycle. As I write, the top priority for most of the Secretariat is the finalization of grant-making, grant review and grant signing: 171 grants representing US\$9.3 billion have been registered for Grant Approval Committee (GAC) recommendation in the second half of the year. However, given delays in TRP submission, ongoing logistical constraints and acute pressures on in-country capacity, the peak of GAC registrations has slipped from late October to mid-November. In this context, it seems inevitable that in a number of countries we will need to use interim arrangements for a short period while the new grants are finalized. There are a number of options for providing such flexibility, which we will utilize depending on the specific country circumstances. We will only initiate grant extensions where absolutely necessary (for example, when the delays are expected to be very long), since the burdensome procedures associated with grant extensions will only exacerbate the workload on Principal Recipients (PRs) and the Secretariat.

FIGURE 2

Allocation amount reviewed by Technical Review Panel in 2017 vs. 2020

More than **\$US11 billion** in allocation funds are expected to be approved by the TRP in 2020, or **89.8%** of total communicated amounts. In 2017, **US\$9 billion**, or **87.7%** of available funds, had been approved in year one.



Source: Grant Operating System

As of 15 October 2020.

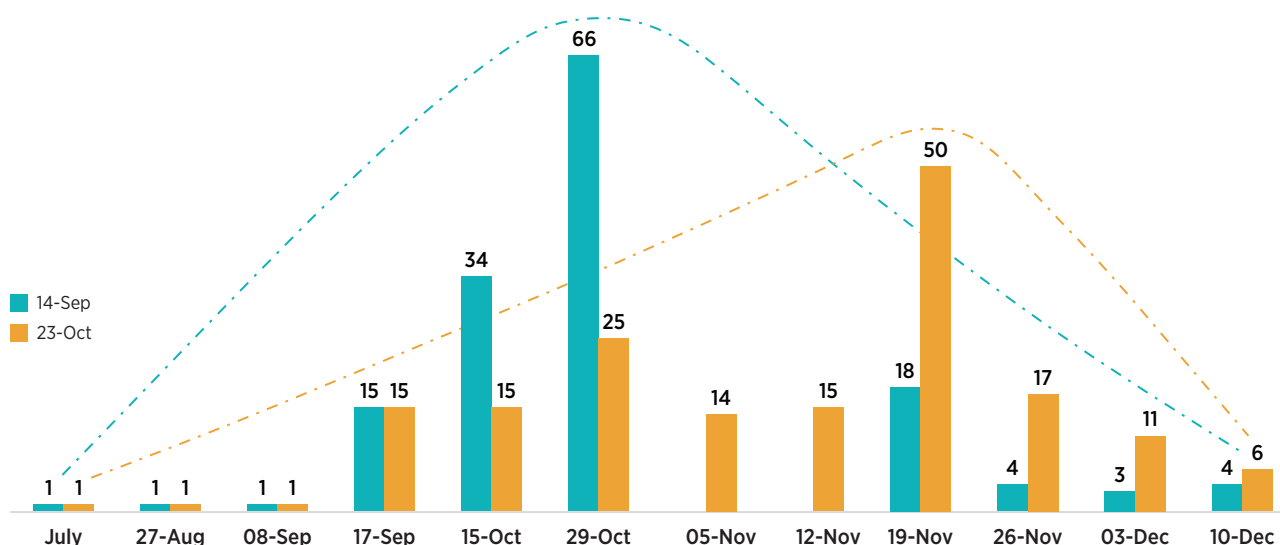
Amounts for 2020-2022 window 1 and window 2 are approved amounts, while window 3 is total request.

Does not include matching funds or multi-country catalytic funding. 2020-2022 total is slightly lower than Board-approved allocation since one country allocation communication is pending.

FIGURE 3

Current vs. historical Grant Approval Committee registrations

Since mid-September, peak GAC registrations have shifted from late October to mid-November.



Source: GOS

As of 23 October 2020.

Of course, the quality of grants matters as much as the quantum. While 89% of grants in Window 1 & 2 were rated good or very good by TRP, both technical partners and TRP have noted the quality of funding submissions has been affected by the pandemic. Most of the shortcomings in funding submissions highlighted by TRP reflect familiar weaknesses (for example, scale and robustness of HIV prevention or community systems investments, quality of data, integration of services, limited focus on human rights and gender), rather than new issues. Given the extent of disruption to CCMs and the difficulties in providing technical assistance, it is unsurprising that some of the improvements in submission quality we would have liked to have seen in this cycle have not transpired. Addressing the issues raised by TRP on individual grants is a big part of the grant-making process currently taking place.

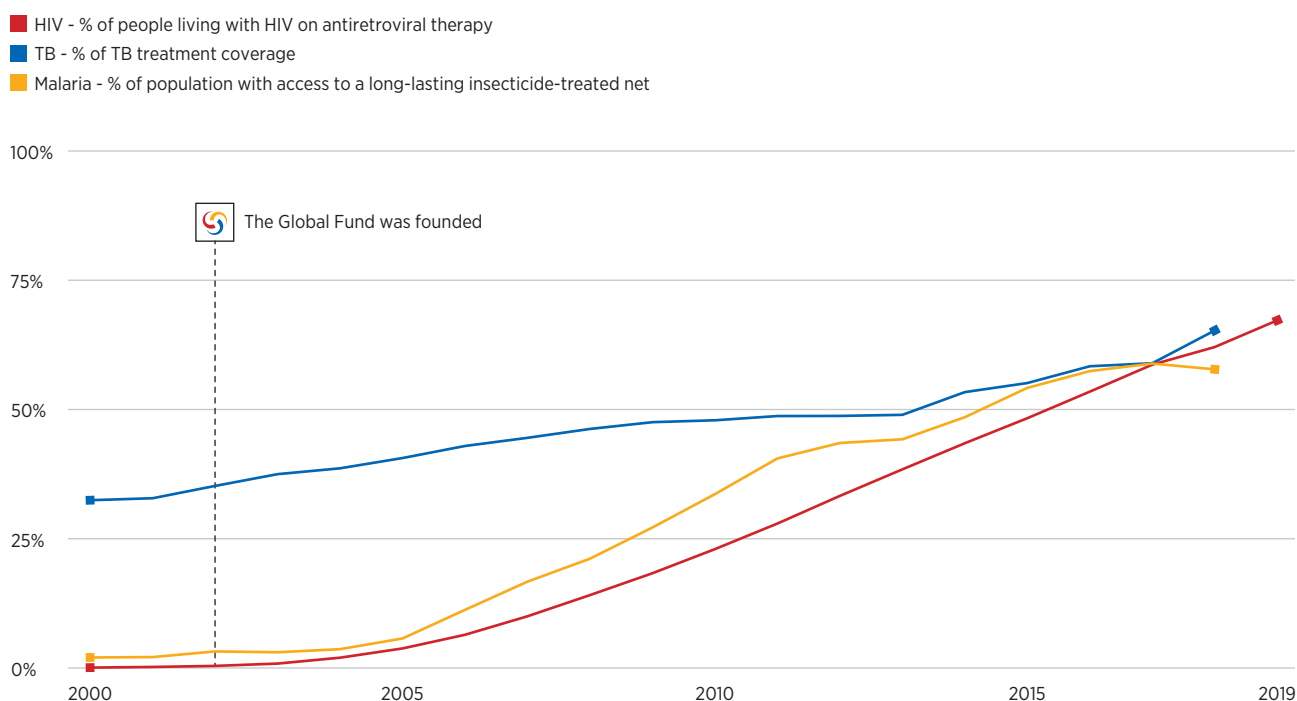
Of the US\$915 million in catalytic funding for the new cycle, including matching funds, multi-country funds and strategic initiatives, we anticipate around US\$400 million will be put forward for Board approval this year following GAC recommendation, to enable integration in grants starting in January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

ii) Drive impact from current grants in their final stage

As our most recent Results Report makes clear, the Global Fund partnership continued to have enormous impact in 2019, contributing to saving 6 million lives, 20% more than in 2018, and taking the cumulative total to 38 million. However, we started 2020 acutely aware that on all three diseases we were off track against our goals for 2030. On HIV, continued progress in reducing deaths has not been matched with equivalent progress in reducing new infections, which at 1.7 million in 2019 was flat on 2018. On TB, we have continued to make progress in finding missing people with TB and in closing the treatment gap for those with multidrug-resistant tuberculosis (MDR-TB), but with about 3 million people with TB still undiagnosed and untreated, and about 1.5 million deaths annually, the results also underscore how much further and faster we have to go. On malaria, the results show deaths continuing to fall, albeit at a reduced rate, but little progress in reducing the numbers of cases, and alarming increases in some of the highest burden countries.

FIGURE 4

Coverage of treatment and prevention interventions in countries where the Global Fund invests

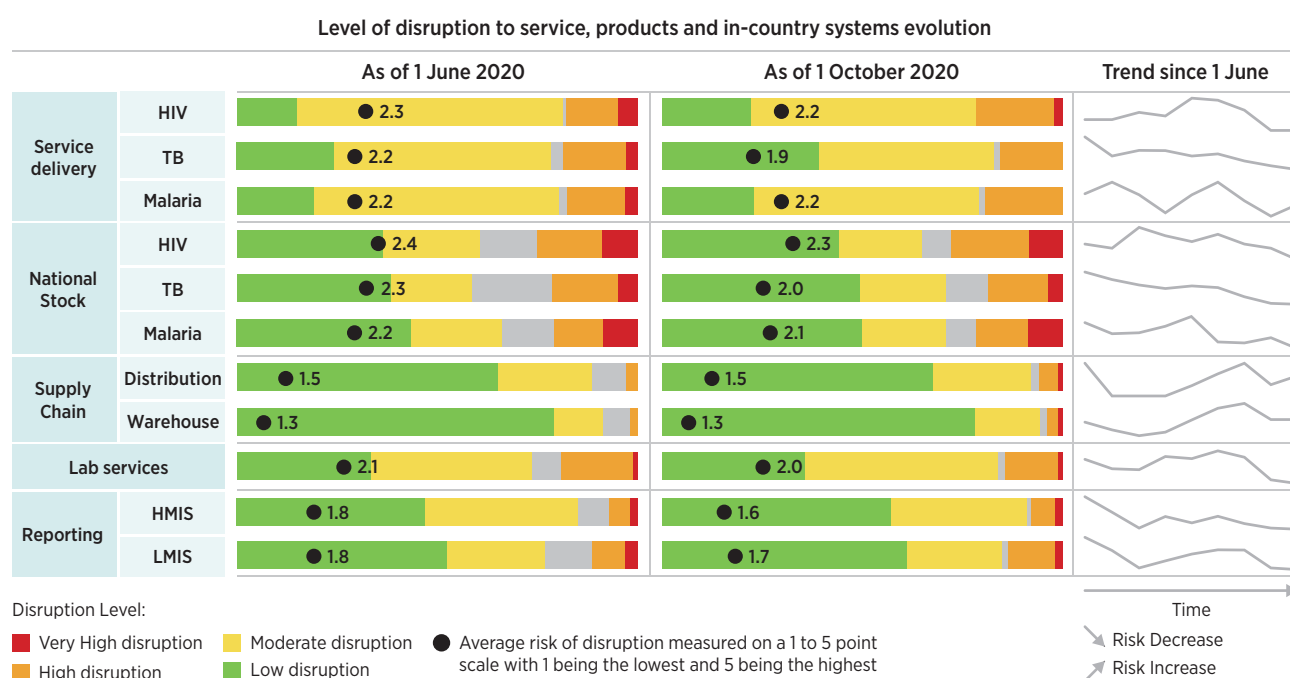


Malaria coverage calculated based on 38 African countries for which data is available from WHO / Malaria Atlas Project estimates in countries where the Global Fund invests. HIV and TB estimates are based on all countries where the Global Fund invests. Latest published WHO / UNAIDS data is used.

We began 2020 determined to step up the fight, not waiting for the start of the new grant cycle, with a particular focus on HIV prevention, finding missing people with TB and vector control in malaria. COVID-19 has impeded the achievement of these ambitions, disrupting prevention and treatment across all three diseases. Roughly 70% of our service delivery programs across all three diseases have experienced disruptions. Rather than stepping up the fight against HIV, TB and malaria, much of the partnership's effort has had to focus on mitigating the damage and protecting gains. Early on in the crisis, modelling by WHO, UNAIDS and the Stop TB Partnership showed starkly what was at stake. Without urgent action, we could lose all the gains achieved over the last decade.

FIGURE 5
Program disruption due to COVID-19

Highest levels of disruption in service delivery and national stocks since June 1st

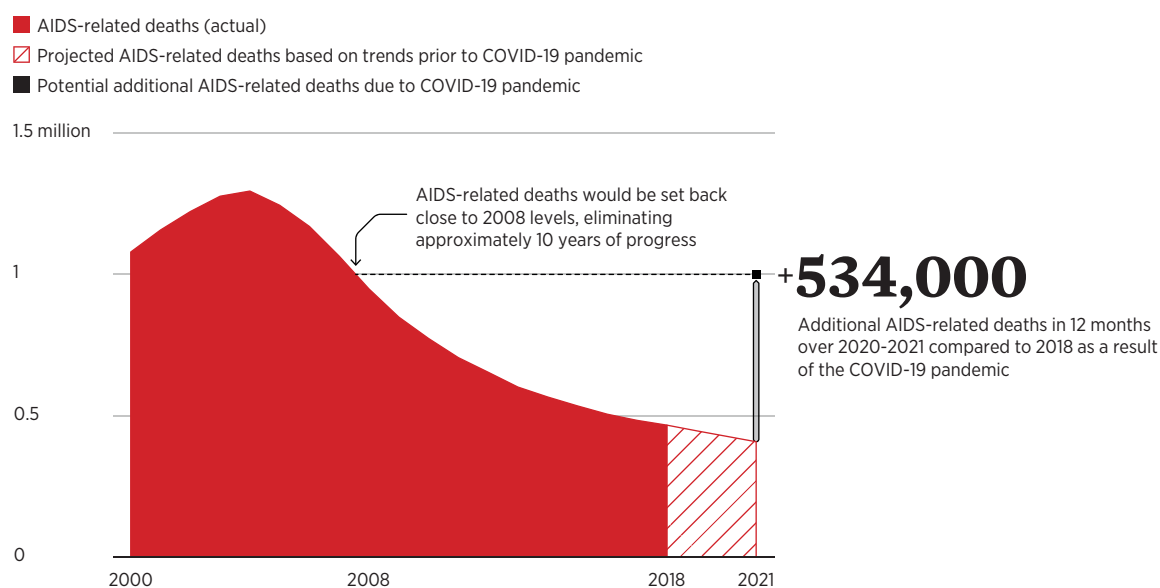


Source: Global Fund COVID-19 Country Monitoring Tool

FIGURE 6
Potential impact of COVID-19 on HIV, TB, Malaria

AIDS-related deaths: impact of COVID-19

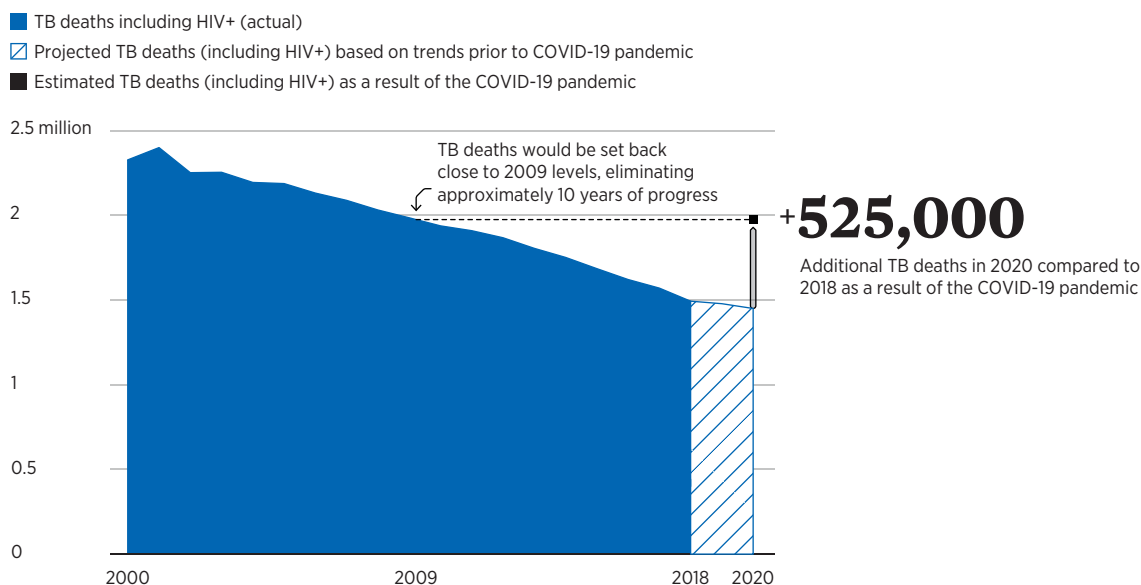
POTENTIAL INCREASE IN AIDS-RELATED DEATHS DUE TO HIV TREATMENT DISRUPTION IN THE CONTEXT OF THE COVID-19 PANDEMIC IN SUB-SAHARAN AFRICA



Estimates of AIDS-related deaths over 2000-2018 from UNAIDS, 2019 release. Estimation of projected AIDS-related deaths over 2018-2021, based on continuation of trends prior to COVID-19. Estimation of potential AIDS-related deaths as a result of the COVID-19 pandemic from modelling work convened by WHO and UNAIDS, 2020.

Tuberculosis deaths: impact of COVID-19

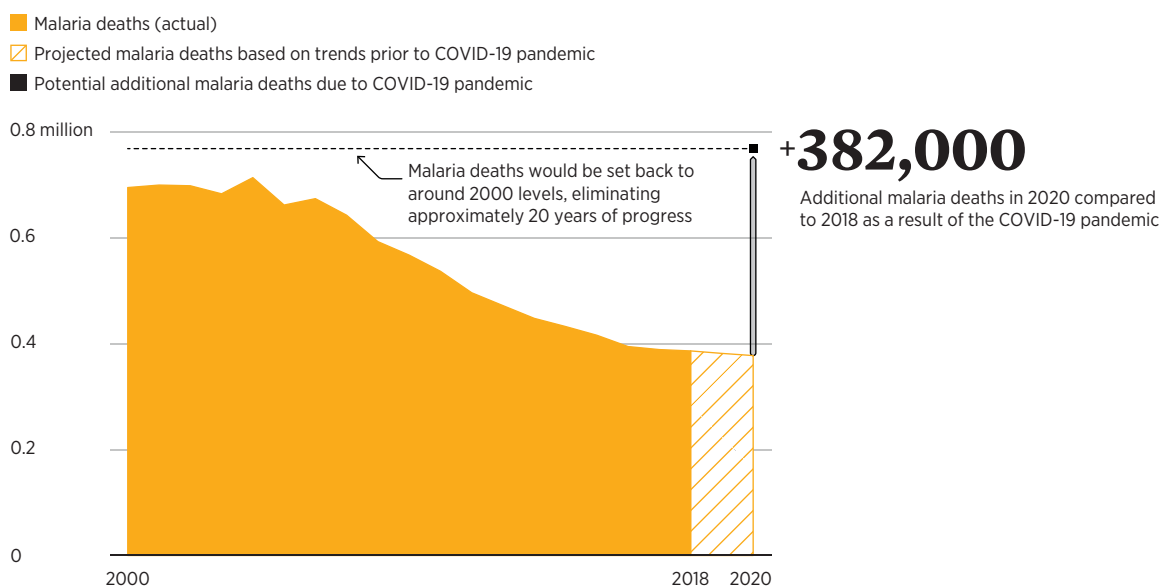
POTENTIAL INCREASE IN TB DEATHS DUE TO TB SERVICE DISRUPTION IN THE CONTEXT OF THE COVID-19 PANDEMIC GLOBALLY



Estimates of TB deaths (including HIV+) over 2000-2018 from WHO Global TB Report 2019. Estimation of projected TB deaths over 2018-2020 based on continuation of trends prior to COVID-19. Potential TB deaths (including HIV+) globally as a result of the COVID-19 pandemic estimated for the year 2020 from Stop TB Partnership (and partners) modeling study, 2020 which assumed a conservative lockdown period of 3 months and recovery period of 10 months. These additional estimated TB deaths are due to TB service disruptions and exclude TB deaths that may happen in people living with HIV because of disruptions of ARV and other HIV-related services. See http://www.stoptb.org/assets/documents/news/Modeling%20Report_1%20May%202020_FINAL.pdf to learn more.

Malaria deaths: impact of COVID-19

POTENTIAL INCREASE IN MALARIA DEATHS DUE TO MALARIA SERVICE DISRUPTION IN THE CONTEXT OF THE COVID-19 PANDEMIC IN SUB-SAHARAN AFRICA



Estimates of malaria deaths over 2000-2018 from WHO World Malaria Report, 2019 release. Estimation of projected malaria deaths over 2018-2020 based on continuation of trends prior to the COVID-19. Estimation of potential deaths as a result of the COVID-19 pandemic from WHO modelling study, 2020, due to cancellation of planned mosquito net distribution campaigns and severe disruptions (75% reductions) in continuous net distributions and use of antimalarial treatments.

Through decisive action by implementers, including governments, civil society organizations, and communities, plus unprecedented coordination among multilateral and bilateral partners, it seems as if we may have succeeded in averting these immediate worst-case scenarios, while still seeing significant negative impact. As has been described in the disease-specific deep-dives provided during the informal Board updates, there has been remarkable collaboration between partners, working intensively together to adapt programs, resolve bottlenecks and innovate in response to the pandemic. Disruption to HIV and TB treatment has been mitigated by multi-month dispensing, innovative ARV distribution models, and community-led outreach and support initiatives, including nutritional support for the most vulnerable. Mosquito net distribution campaigns have been rescheduled and redesigned, but contrary to initial fears, have not been cancelled. Many of these program adaptations have been made possible through funding from grant flexibilities and C19RM.

Community-led interventions have been particularly important in mitigating the impact on key and vulnerable populations. Examples of interventions funded through grant flexibilities and C19RM include community monitoring of service disruptions across 27 districts in Botswana, or development (with PEPFAR and community partners) of a facility feedback tool to monitor services for adolescent girls and young women in Lesotho. In many countries, including India, Kenya, Moldova, Panama, and Ukraine community-led organizations have devised innovative delivery models to ensure continuity of treatment for key populations affected by HIV and TB.

Robust tracking of procurement and supply chain issues and targeted interventions to ensure security of supply continues to be a priority. We track procurement delays on a weekly basis and triangulate this data with input from the Local Fund Agent (LFA) surveys, PRs and partners to anticipate potential stock outs and take action. While the situation in most countries and for most products has been manageable, there have been some problems, and we remain concerned about the trends. To avoid production or shipment delays translating into stockouts we have encouraged PRs to place orders earlier, including taking action to secure timely delivery of products for vector control, seasonal malaria chemoprevention (SMC) campaigns and continuity of antiretroviral therapy (ART) for the new grant cycle. Combined with the typical cyclical increases in the third year of the grant cycle, this has resulted in purchase orders to date almost 30-50% higher by value than last year depending upon product category. We have also worked with partners to resolve specific issues arising in countries, and to ensure continuity of supply where manufacturers have switched capacity to COVID-19 commodities (for example, malaria rapid diagnostic tests). We have made selective use of the Board's decision to allow us to waive pre-shipment inspections, where doing so has been necessary to ensure continuity of supply of life-saving commodities (12 such requests have been approved by the new Health Product Risk Committee, while seven were rejected).

In India, health workers reach key populations with HIV medicine and care

Lockdowns and other COVID-19 restrictions have made accessing antiretroviral therapy difficult for vulnerable groups, including transgender people. In response, the Global Fund in partnership with government authorities and civil society groups deployed community health workers to go door-to-door ensuring key populations receive medicine and care.

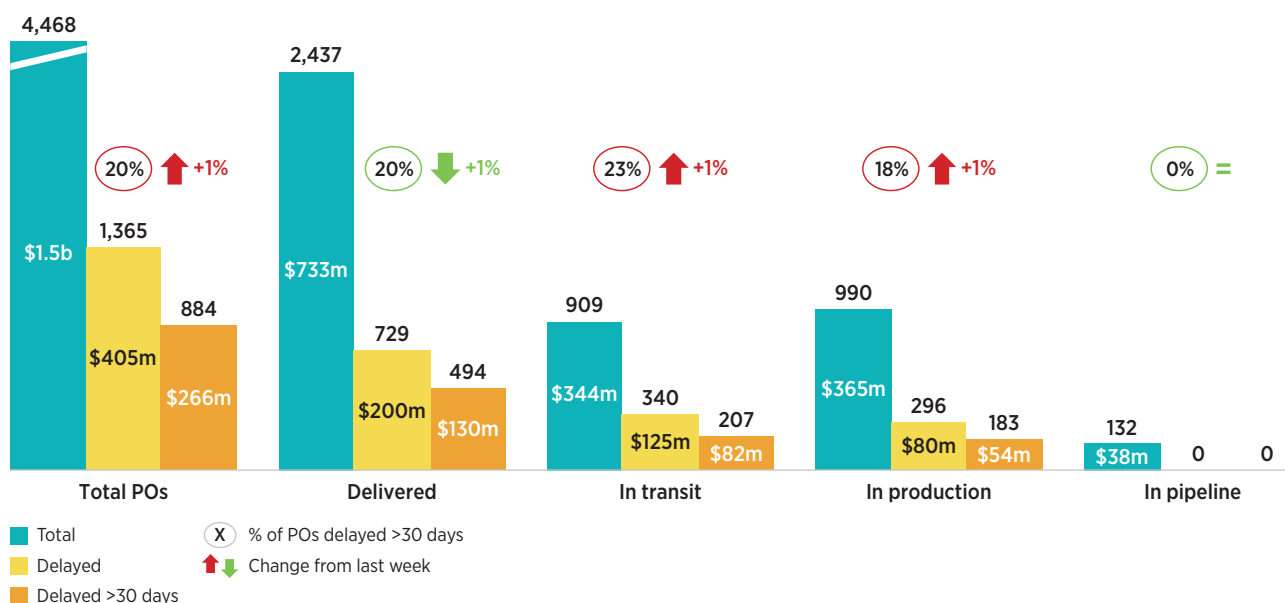
This work includes providing specific services to the transgender community. Transgender outreach workers check to see if members of the community living with HIV are getting their supply of ARV medication and deliver food to those who have no means of earning money during the crisis.



Community health worker Santosh (in light blue) delivers ARV medications during his door-to-door outreach visits in Mumbai.

FIGURE 7
Supply Operations weekly tracking, as of 16 October, 2020

Purchase Order Status, number of POs, dollar amount in the bar



While robust data is scarce and the evidence often anecdotal, we should have no illusions about the scale of the damage to our programs. HIV prevention and TB case finding programs have been severely disrupted in many countries, with a resurgence in human rights-related barriers to accessing health services, gender-based violence and stigma, plus a diversion of resources and equipment to the COVID-19 response. Pressure on primary healthcare systems, plus increasing reluctance to seek healthcare for fear of COVID-19 has undermined test and treat services for malaria in many high burden areas. Given how long it takes to obtain reliable and comprehensive data, it will be many months before we know how far we have been knocked off track in terms of deaths and incidence across the three diseases. But the indications are clear. Despite all our efforts we will see significant reversals in progress across all three diseases and across many countries.

In this extremely challenging context, we can at least be confident that we are putting our money to work. Based on our latest forecasts, we project overall allocation absorption of 97% and in-country absorption of 85%, well above the KPI7b Fund Utilization target of 75%. To give a sense of trajectory, in-country absorption for grants ending in December 2020 (representing about 70% of the portfolio) stood at 79% after 24 months of implementation, compared to 63% after 18 months. For Strategic Initiatives we anticipate utilization of 94%.

Moreover, amidst all the negatives resulting from COVID-19, we are making progress on many priorities. To give a few illustrations:

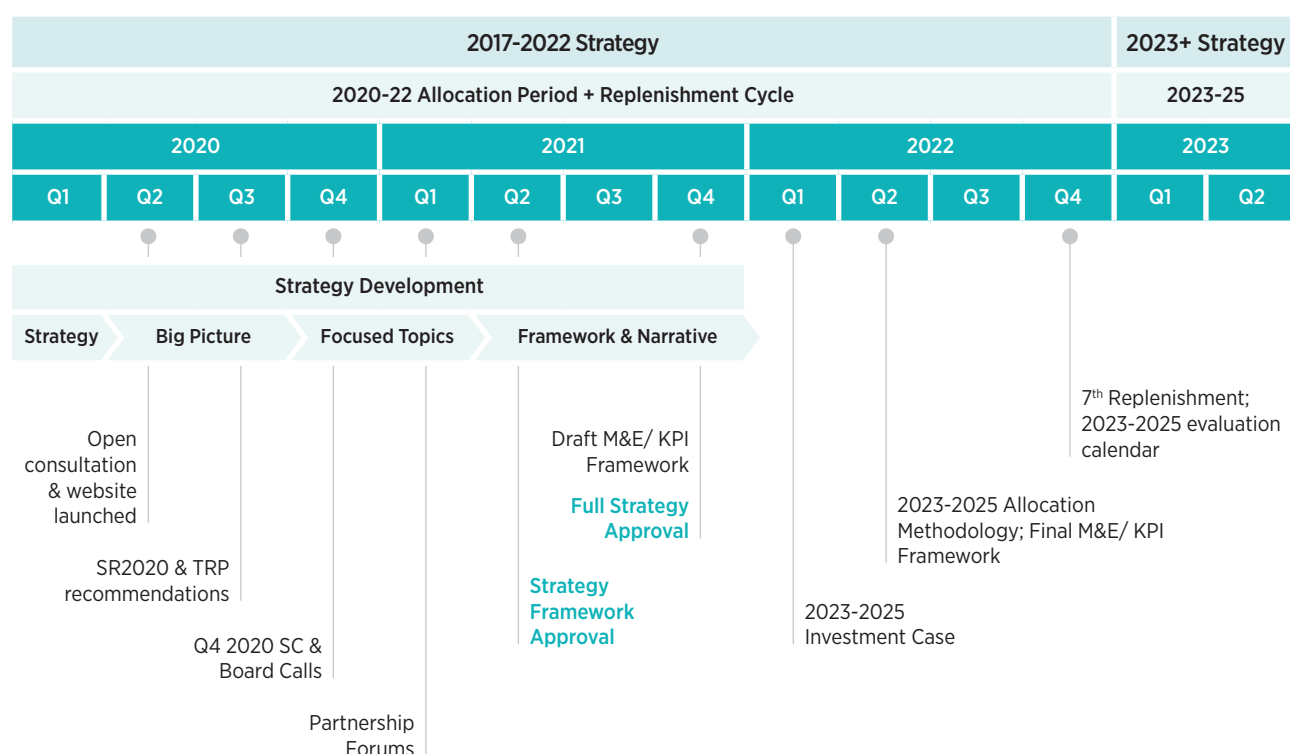
- ▶ **Our flagship human rights initiative, Breaking Down Barriers**, continues to make progress, despite the challenges, underpinned by a nearly seven-fold increase in investments to remove human rights and gender-related barriers to health access (from US\$11 million in the previous grant cycle to nearly US\$80 million in this cycle). As of mid-October, 12 of the 20 countries initially covered by Breaking Down Barriers had adopted country-owned, costed plans to tackle such barriers. Independent mid-term assessments are currently being undertaken across all countries: the three already available (Philippines, Sierra Leone and Ukraine) confirm that the interventions are delivering significant progress. Given the resurgence of human rights-related barriers as a result of the pandemic, this initiative is all the more vital - to protect what has been achieved and to ensure continued progress.
- ▶ **Wambo** has continued to make impressive progress. With users from nearly 150 organizations across 84 countries and over US\$1.1 billion in volume year-to-date, our digital procurement platform is serving more partners with more products than ever before, with user satisfaction at 95%. The pilot for non-Global Fund financed transactions has now conducted 77 transactions for US\$23.5 million with seven transactions for US\$1.9 million in the pipeline, while the equivalent pilot for COVID-19 products has yet to transact.
- ▶ In partnership with Johnson & Johnson, the Stop TB Partnership and USAID, the Global Fund is scaling up **treatment of people with drug resistant-tuberculosis (DR-TB)** with an all-oral bedaquiline regimen, through a scheme that should enable treatment of at least 125,000 people in 2020, enabling national TB programs in low-and middle-income countries to save up to US\$16 million. This is equivalent to the amount needed to treat an additional 30,000 people with short-course DR-TB regimens.

iii) Begin planning and consultations for the next Global Fund strategy

As the Board is aware, our original plans for the Global Fund strategy refresh, including a face-to-face Board retreat, in-person Strategy Committee (SC) discussions and three regional Partnership Forums, were rendered impossible by COVID-19. So, under the guidance of the SC and Board Leadership, we have reconfigured the process to be completely online, including the open consultation, constituency and partner dialogues, Board and SC discussions and in due course, virtual Partnership Forums. No-one would pretend that online interaction works as well for strategic debate as face-to-face meetings, but so far, the process is largely on-track, with some excellent input from partner consultations, including from communities and civil society organizations. The Board and SC are now beginning to get into the substance of specific strategic issues, such as our potential role in global health security and refining our approach to building resilient and sustainable systems for health (RSSH). Given the planned schedule for strategy development, the next few months will be crucial.

FIGURE 8

Strategy development process timetable



In parallel with our own strategy process, we have been playing an active role in contributing to the contemporaneous strategy processes of key partners, including WHO, UNAIDS, the RBM Partnership to End Malaria, the Partnership for Maternal, Newborn and Child Health (PMNCH) and the Global Financing Facility (GFF). More than ever, it is vital that we are aligned.

iv) Reinforce capabilities and impact on key strategic priorities

Our budget for 2020 included targeted investments to build our capabilities in a number of key areas, including the disease advisory and RSSH teams in Technical Assistance & Partnerships department (TAP) and the Community Rights and Gender department (CRG), plus the establishment of a new Health Finance department. Despite the challenges of recruiting in the COVID-19 context, we have made progress, including:

- ▶ Through "TAP Evolve", **TAP** now has a new head of department, Michael Byrne, and a new head of HIV, Siobhan Crowley, and has strengthened resources across all three diseases and the RSSH team.
- ▶ Last month, we announced the appointment of a Head of **Health Finance**. Kalipso Chalkidou, who will join us in January 2021, will have the task of creating a new department and devising our strategy for this arena, building on our successful record of catalyzing domestic resource mobilization through co-financing requirements and of working with partners, such as the African Union or GAVI, the Vaccine Alliance and the World Bank as part of the Global Action Plan's Sustainable Finance Accelerator.

- ▶ In both **Grant Management Division (GMD) and Finance** we increased resources devoted to identifying and unblocking obstacles to absorption and impact, with a particular focus on regions, such as West & Central Africa, which have historically underperformed on these metrics, and on program components with a similar record. Combined with a more dynamic approach to Portfolio Optimization, these interventions are undoubtedly enhancing absorption and impact.
- ▶ In **GMD and Access to Funding** department (A2F) we added surge resources to support the funding request and grant-making processes. We have also doubled the funding of TRP.
- ▶ In **CRG** we have continued to invest in reinforcing key capabilities and alignment with Country Teams through “CRG Accelerate”.

v) Improve efficiency and effectiveness

Our original plans for improving efficiency and effectiveness across the partnership during 2020 took as their starting point a number of significant investments and achievements during 2019, including:

- ▶ Advances in **risk management and governance** that enabled the Office of the Inspector General (OIG) to conclude that we had reached “embedded” status by March 2020.
- ▶ Development of the **Performance & Accountability (P&A)** framework, establishing a process model for the Secretariat’s operations, with the definition of 52 key processes and corresponding performance metrics, providing a platform for continuous improvement.
- ▶ Significant investments in our **core technology platforms** to improve efficiency, data management and resilience to cyber threats (including achieving ISO27001 certification on information security management in November 2019).
- ▶ Significant revisions to the **funding request, grant development and grant-making processes**, capturing learnings from the previous cycle.
- ▶ Looking beyond the Secretariat itself, expanded **rollout of CCM Evolution**, including the CCM Code of Conduct.

In the context of COVID-19 these advances became the foundation of our operational response to the pandemic:

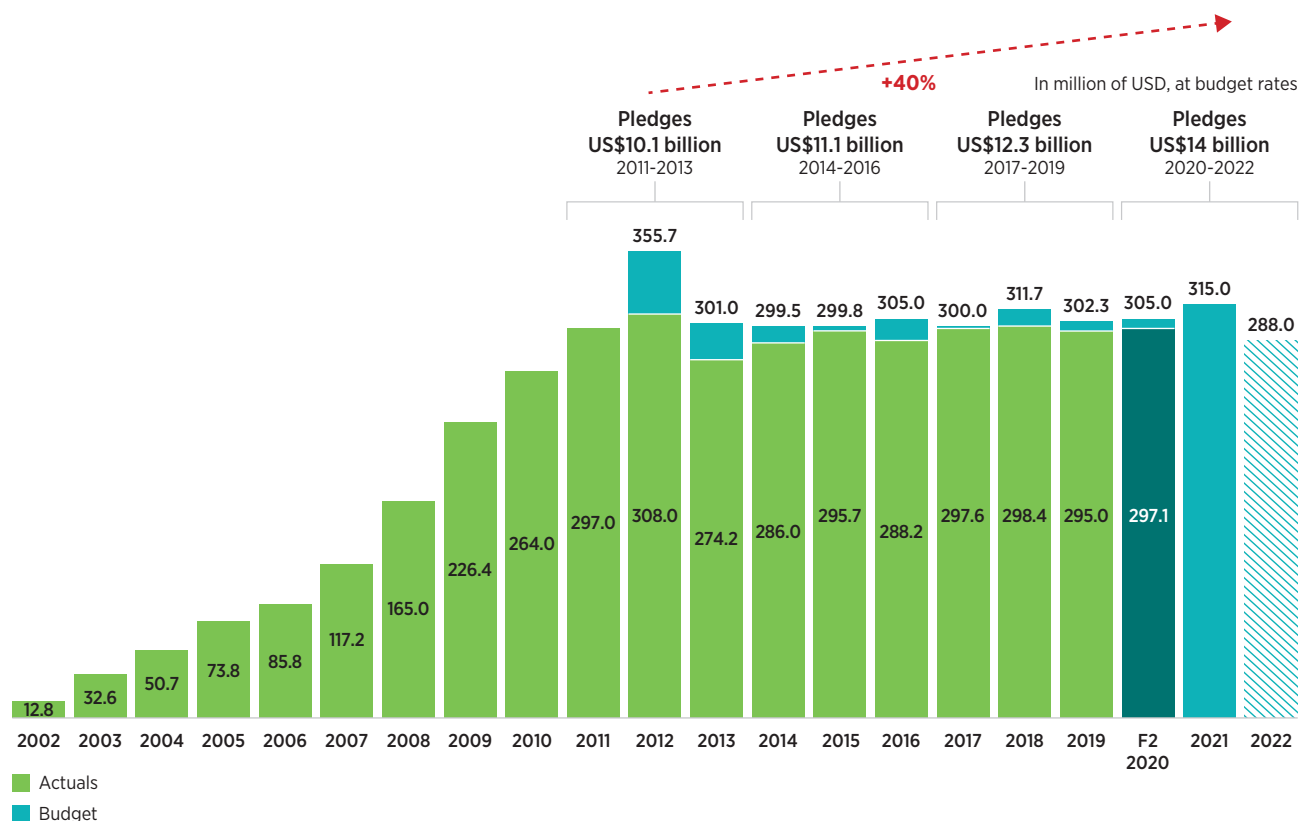
- ▶ We built on our risk management tools and the P&A framework to devise **Business Continuity Plans (BCPs)** across the entire organization to enable a structured approach to adapting operational procedures and rules to the rapidly evolving environment to ensure resilience. We leveraged our investment in more robust and flexible technology platforms to enable a **rapid, almost entirely seamless, transition to remote, online working**, while reinforcing our defences from cyber threats. Our IT team deserves enormous credit for enabling this to happen with so little disruption.
- ▶ We adapted the planned changes to our **funding request, grant development and grant-making processes** to an online world, with TRP switching to an entirely remote operating model. While there have certainly been significant challenges at a country level, with some CCMs finding it difficult to shift to online operation while remaining inclusive, and others very stretched because key participants also play critical roles in the COVID-19 response, the process revisions have worked well.

However, some aspects of our efficiency and effectiveness agenda have had to be deferred or downscaled, due to travel restrictions and the need to focus scarce resources on immediate priorities, for example: CCM Evolution, including the roll out of the Code of Conduct; roll out of updated Codes of Conduct for Suppliers and Recipients, numerous IT projects; and development of the new Monitoring & Evaluation (M&E) Framework. Since most of these projects can only be deferred to a certain extent, we are now working out how to get them implemented despite the ongoing travel and capacity constraints. These catch-up investments are reflected in the proposed budget for 2021.

We have also continued to evolve the organizational model, with the combining of the Legal department and the Office of Board Affairs in January 2020 to form the Legal & Governance Department (LGD), as well as the combining of External Relations and Communications to form the External Relations and Communications Division (ERCD) in June.

From a financial perspective, we anticipate ending 2020 significantly under budget, with savings on travel, meetings and delayed recruitment more than offsetting incremental COVID-19-related costs of enhanced security and staff protection, increased expenditure on LFAs and the increased costs of the TRP.

FIGURE 9
Performance against budget from a historical context



vi) Invest in people

This has been an extraordinarily testing year for everyone in the Global Fund partnership. Even before COVID-19 emerged we knew 2020 was going to be an intense year, given the simultaneous challenges of maximizing the impact from the final year of the Fifth Replenishment grants, getting the grants developed and signed for the Sixth Replenishment and launching the strategy process. COVID-19 exacerbated the pressures, adding to the workload, reducing effective capacity and forcing significant changes to many of our core processes. The response of the staff of the Secretariat to these unprecedented challenges has been superb.

In these circumstances, we quickly adapted our people priorities, putting the primary focus on *Keeping our People Safe* (discussed further in Section two of this report), while deferring or descope certain elements of our People Strategy that we had planned to implement.

Nevertheless, we have not allowed the pandemic to derail entirely our progress on these key initiatives:

- ▶ Having launched our new **performance management** approach, Performance & Development (P&D), early in the year, we persisted with its implementation despite the pandemic, using it in slightly simplified form for the mid-year reviews. Early feedback from staff on the new approach is positive - for example, 84% valued the opportunity to share feedback on their line manager and 77% considered their objectives as clear and measurable. We are incorporating insights from this feedback into our implementation approach for the year-end review process.
- ▶ We have continued to invest in **leadership development**, through *Elevate*, our leadership development program. We also introduced *Agility Bursts*, targeted interventions to support leaders on specific topics. In fact, COVID-19 has arguably accelerated the expansion of our leadership capacities, with many of our Management Executive Committee-1 (MEC-1) senior managers taking on even greater leadership roles in response to the crisis.
- ▶ In the first half of the year, we deliberately slowed the planned implementation of **strategic workforce planning**, so that the Human Resources team could focus on reallocating resources to fill urgent gaps and adapting our recruiting and onboarding process to the virtual environment (57 surge positions were identified of which 88% have been filled). However, we have now finalized the integration of strategic workforce planning with our budget approach. As a result, all the Human Resources Agreed Management Actions (AMAs) from the 2018 OIG audit have now been closed.

Throughout the crisis, we intensified **communication** with staff, with frequent updates, town halls as well as one-on-one and group meetings which were complemented by pulse surveys to gauge mood and morale. Staff have clearly appreciated these efforts, with 94% saying in a survey conducted in September that they have been kept sufficiently informed about the situation. **Staff engagement**, at 95%, is at a record high.

However, we face a significant challenge on **staff wellbeing**, with increasing signs that the anxieties and stress from the pandemic, coupled with increased workload, are taking their toll. In the most recent survey, only 45% of staff expressed the view that there were “sufficient staff in their team to handle the workload”. Input from the Staff Counsellor, Human Resources and Staff Council, all point to increasing incidence of burnout. In response we are adding resources to alleviate the most acute pressures, stepping up our activities to support individual wellbeing and continuing to try to manage the overall workload by deferring and deprioritizing less critical activities. On this final point, I need the help of the Board. While there was Board and Committee support for deferring certain agenda items in the first few months of the year, we now face pressure to catch-up on almost every matter. As a crude indicator, document volumes for the October Committee meetings exceeded those for the meetings in July and March combined. Many of the constituency statements to the October Committee meetings asked for additional information and analyses, and some criticized the delay in completion of AMAs. In an environment where both the Secretariat, and constituencies, are capacity-constrained, balancing effective governance oversight with robust prioritization is critical, and requires our collective attention.

In addition to COVID-19, the murder of George Floyd in May 2020 and the subsequent focus on Black Lives Matter, has intensified focus on issues of racial injustice and on diversity and inclusion more generally. The Secretariat is a very diverse organization, with staff from over 100 countries, and we have made demonstrable progress on some aspects of diversity and inclusion. In 2019, we achieved Equal Salary Certification (making us one of very few international organizations to attain this) and conducted an independent gender assessment on our Human Resources policies and procedures. However, the results of our latest pulse survey indicate that we still have a lot of work to do: 81% of staff feel respected and included within their teams, but only 51% feel everyone is treated fairly, and another 21% feel they have been the victim of discrimination of some form. This is not good enough. We clearly have more to do to make the Global Fund a place where everyone can be confident about being treated equally whoever they are. In the context of the fight against racial injustice, epitomized by #BLM, this is a top priority.

Tackling the issues of diversity and inclusion is not a quick fix but requires action on multiple aspects of the way we work and interact together. We need a combination of specific actions and a willingness to learn and listen without jumping to hasty conclusions. Building a more inclusive organization is a collective journey, not something that can simply be mandated top-down. Moreover, the changes we make must align with the overall evolution of our organizational culture.

I have therefore tasked a subgroup of MEC (Marijke Wijnroks, Patrick Nicollier, Adda Faye, Mike Johnson, Francoise Vanni and Nick Jackson) to focus on three complementary streams of work:

- ▶ **Diversity and inclusion**, which Mike and Marijke will lead. This work stream will cover issues of race, such as #BLM, as well as other dimensions of diversity, such as gender, religion, sexual orientation and disability. Specific activities under this workstream include: i) reviewing and revising relevant policies (using an external specialist consultant); ii) providing awareness and sensitivity training; iii) orchestrating an organizational dialogue on these issues through focus groups and other interactive mechanisms. Mike and Marijke will be supported by a new diversity and inclusion specialist who joined the Human Resources team in mid-September (following a protracted recruitment process which began in December 2019).
- ▶ **Future of work**, which Adda and Patrick will lead, with support from Mike. This will focus on issues like the balance of working from home and in the office, and our use of technology, plus how we respond to workload pressures. This workstream will draw on and complement our existing Wellness Working Group, led by Marijke, which is already active in implementing a range of wellbeing initiatives.
- ▶ **Aspirational culture and values**, which Francoise and Nick will lead. At a time when the Global Fund is refreshing its strategy, we think it's time to reinvigorate our aspirations and values as an organization.

The MEC subgroup has already met several times. Staff Council will participate in all three work streams (and of course is already involved in the Wellness Working Group), and we will use focus groups, further pulse surveys, brainstorming and other mechanisms to get input from all staff. In fact, I have already received dozens of ideas directly from staff on #BLM alone. To ensure we avoid insularity and confirmatory bias, and that we are challenged to be bold, we will use external consultants during this process, and will compare our performance against external models and benchmarks.

Another related priority concerns sexual harassment and abuse. Here we have made considerable progress in implementing our updated policies and internal justice procedures for the Secretariat itself. Moreover, the actions we have taken on the few individual cases that have surfaced have sent strong messages. We have also addressed these matters in the updated Code of Conduct for Governance Officials.

However, on sexual harassment and abuse a lot of work needs to be done to strengthen our defences across the broader Global Fund partnership, and progress here has been delayed by the pandemic, which has inevitably slowed the update and rollout of the Codes of Conduct for Suppliers and Recipients. Recent instances of such abuses in the global health community underscore the importance of: first, demonstrating through our actions that we have zero tolerance for any form of sexual abuse, bullying or harassment; second, ensuring that we have an effective framework in place throughout the partnership, and that this is understood and adhered to; and third, establishing and maintaining effective internal justice mechanisms. On the first, I need the support of Board and leaders across the partnership to send consistent messages and take appropriate action. On the second, we are devising alternative approaches to rolling out the revised codes. On the third, I have asked OIG to conduct an advisory review of our internal justice mechanisms during 2021.

The staff of the Global Fund Secretariat are an exceptional team: diverse, passionately committed to the mission, and equipped with an extraordinary array of skills. In 2020, they have also demonstrated incredible resilience and flexibility, engaging in more intense collaboration across the Secretariat and with partners than perhaps ever before.

2 Our Response to COVID-19

The Board will receive separately a specific and much more detailed paper on our COVID-19 response, the *COVID-19 Board Update*, so rather than duplicating this I will limit my comments to a few high-level observations about the four components of our response strategy:

- i) Keeping our people safe.** In mid-February, we created a Situation Response Team (SRT) to focus on our duty of care for our staff's safety and wellbeing, and to ensure business continuity. The SRT oversaw the transition to working-from-home, then the subsequent phased approach to returning to the Global Health Campus (GHC) and is now managing the rapidly changing dynamics of the second wave of the pandemic, which has resulted in most staff returning to working-from-home. Through frequent communication with staff, including regular email updates, a dedicated email address for queries, town halls, pulse surveys, plus thematic sessions (for example, for those with families, or living alone) we have kept staff informed about the rapidly changing situation, and listened to their concerns and issues. Human Resources also provided targeted support to those who became infected, or who faced difficult family situations.

While this has been an extremely challenging period for our staff and their families, and there are many lessons to be learned from the experience, I think the SRT, supported by Human Resources, IT and Communications has done a superb job.

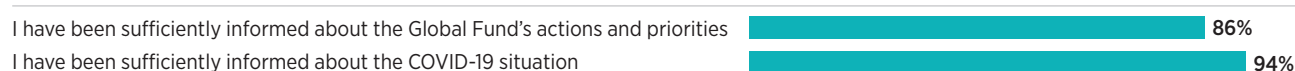
FIGURE 10
Global Fund staff pulse survey results

March 2020

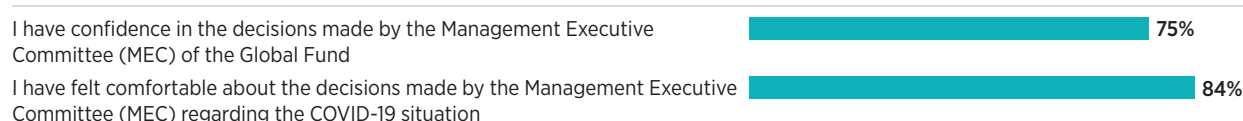


September 2020

Communication



Leadership



Scores are the percentage of respondents selecting '4' or '5' on a five-point scale, with one indicating disagree and five indicating agree.

Total number of respondents for the surveys was 701 people or 75% of Global Fund Secretariat staff in March and 714 people or 77% in September.

As we enter winter, our challenge will be to sustain morale and productivity through a period of intensely demanding work against the backdrop of a deteriorating COVID-19 situation. Although we tried hard to ensure that most staff took vacation over the summer, our staff are increasingly weary, and the interplay of professional pressures with anxieties about family and friends is taking its toll. This is a time to be caring, to avoid diversion of effort on nice-to-haves, and to act quickly when teams become overburdened. The next six months will undoubtedly be tough, but I am also confident that the Secretariat has the resilience and cohesion to continue to deliver.

ii) Protecting our core mission. COVID-19 represents a fundamental threat to the fight against HIV, TB and malaria, threatening to reverse many years of hard-won gains. In the *COVID-19 Board Update* we provide a more detailed update on both the disruption to our core programs and the actions we have taken in response. Here I will simply make five points:

a) Our structured approach to business continuity, with BCP plans covering each of the Secretariat's 52 core processes and all departments, has played a critical role in enabling us to make explicit trade-offs as we respond to the rapidly evolving situation.

b) Intense and sustained collaboration between partners has been crucial in enabling rapid adaptation of HIV, TB and malaria programs. Early in the crisis we came up with "Unite to Fight" as a call to action for the COVID-19 response, and over the last several months we have seen remarkable unity of purpose across the partnership.

c) We need to be responsive to the evolving nature of the challenges. In the early days of the crisis, most of the disruption to HIV, TB and malaria programs was due to lockdowns restricting mobility and face-to-face interaction. As lockdowns have been gradually relaxed in many parts of the world, we have seen more disruption from the virus itself, as health systems come under pressure and health workers fall ill or are quarantined.

d) Our programs remain extremely vulnerable to disruption, given the multiple ways the pandemic can impede implementation. To give just one example, of the 38 distribution campaigns of long-lasting insecticidal nets (LLINs) in countries where the Global Fund invests originally scheduled for 2020, seven have been completed, 19 are on track to be completed this year on or near the original timetable, and 12 are partially delayed. While some of the delays are due to reasons unrelated to COVID-19, such as floods in South Sudan or insecurity in Cameroon, most reveal the multiple ways in which the pandemic has disrupted logistics, including delayed shipment due to lockdowns, lack of containers and delayed customs clearance due to staff shortages. Working with partners we are continuously monitoring the status of these campaigns, intervening where we can to ensure we keep them on track.

e) It is increasingly clear (and hardly a surprise) that marginalized and key populations are most vulnerable to the knock-on impact of COVID-19. They are the first to lose access to services when health systems become overwhelmed. They are the first to suffer, when stigma and discrimination resurface under the guise of public health. The three sessions I have held with the newly formed Youth Council have provided a valuable window into the realities faced by young and vulnerable men who have sex with men (MSM), sex workers (SW), transgender people, and people who inject drugs (PWID), with many safe spaces now closed, while many young people have lost their sources of income.

Seasonal malaria chemoprevention campaign reaches millions of children in Burkina Faso

The Sahel region is home to some of the world's highest rates of malaria worldwide, with children under 5 being particularly vulnerable. But seasonal malaria chemoprevention (SMC) campaigns are proving effective by providing children with preventive malaria treatment that protects them from the disease.

Despite the insecurity across the country and challenges related to COVID-19, the Global Fund and partners rolled out a national SMC campaign in Burkina Faso from July to October this year, with the aim of reaching 4.5 million children under 5 years old.

It is estimated that investments in SMC campaigns across the Sahel from 2015 to 2020, have prevented over 22.5 million malaria cases and 100,000 deaths.



Safi Ouango gives a dose of seasonal malaria chemoprevention to her two-year-old daughter Oudima in Ouagadougou, Burkina Faso.

The Global Fund / Olympia de Valsmont

FIGURE 11

Status of 38 long-lasting insecticidal net country campaigns supported by the Global Fund Partnership

Total LLIN quantity in millions

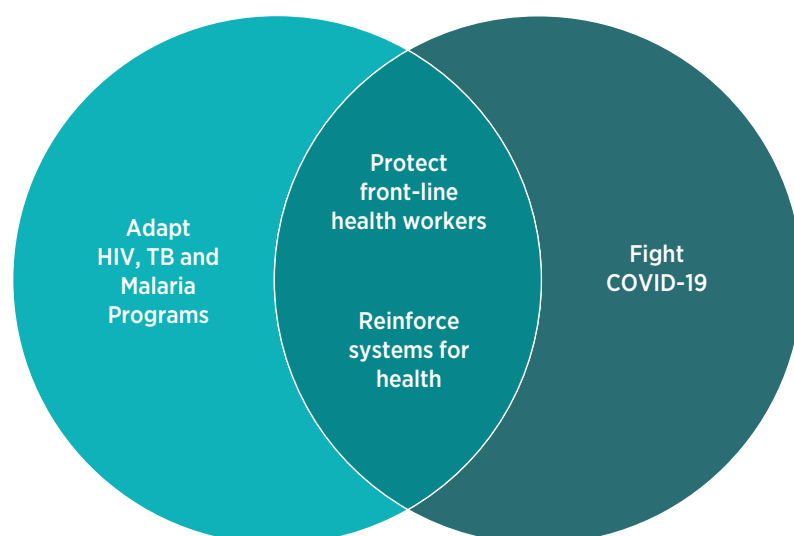
7 campaigns completed		19 campaigns on track for 2020 completion		12 delayed LLIN campaigns	
Benin	5.8	Afghanistan	2.8	Somalia	1.1
Comoros	0.4	Bangladesh	2	Tanzania	7
Guinea Bissau	1.3	Bhutan	0.139	Chad	10.4
Mali	8	Central African Republic	0.750	Timor-Leste	0.139
Niger	4	Eritrea	1.9	Togo	2
Rwanda	4.8	Ethiopia	3.2	Yemen	2.2
Sierra Leone	2.1	Guatemala	0.498	Zimbabwe	0.871
		India	6.6		
		Indonesia	3.5		
		Mauritania	0.985		
		Namibia	0.175		
		Nepal	0.163		
				Mozambique	4 10
				Nigeria	3 8.4
				Pakistan	2.2
				Papua New Guinea	0.345 0.480
				South Sudan	1.2 7.4
				Uganda	2.6 15
				Zambia	3 4.9
				Kenya	2.8 12.8
				Cameroon	2.5
				Congo (Democratic Republic)	2.6
				Haiti	1.1
				Sudan	5.8

 Delayed

As of 9 October 2020.

- iii) **Helping countries respond to COVID-19.** As reported in the *COVID-19 Board Update*, we have so far provided a total of US\$810 million to support 123 countries and multi-countries' COVID-19 responses, with US\$217 million coming from grant flexibilities (almost all grant savings) and US\$594 million from C19RM. Of the C19RM awards, and thanks to the additional contributions received from donors so far, US\$200 million has been for adapting HIV, TB and malaria programs, US\$327 million for "pure" COVID-19 requirements and US\$67 million for urgent fixes to systems for health. Investments for "pure" COVID-19 requirements include SARS-Cov2 diagnostics, personal protective equipment (PPE) for health workers, equipment for providing oxygen to severely ill patients and contract tracing tools. Awards for PPE now amount to US\$201 million and for COVID-19 diagnostics, US\$117 million. Investments in health systems have been largely focused on strengthening laboratories and community systems. 33 countries have been supported in adding COVID-19 modules to their HMIS-2 health management information systems.

FIGURE 12

The Global Fund has adopted a four-pronged response to the COVID-19 pandemic

In the *COVID-19 Board Update* we provide more detail on grant flexibilities and C19RM, and in the *Extension of C19RM Timeline and Operational Flexibility for COVID-19* we discussed the rationale for C19RM, and the lessons we have learned thus far, so I will not repeat these here. All I will add are five observations on the Global Fund's "competitive advantages" in providing such support to countries.

- 1) **Speed and flexibility.** Implementers have repeatedly expressed the view that what sets the Global Fund apart in this context is the speed of decision-making and disbursement, and our willingness to tailor the support we provide to a country's specific needs.
- 2) **Focus on both the direct and knock-on impact of COVID-19.** We help countries leverage existing capacities, while also managing the knock-on impact on HIV, TB and malaria. For example, we have provided countries with COVID-19 testing cartridges for GeneXpert instruments, so that they can leverage the installed base in responding to the pandemic, while simultaneously helping them expand capacity (through funding over 300 new GeneXpert instruments and training new lab technicians), so as not to undermine TB diagnostic services.
- 3) **Engagement of civil society and communities.** While many countries' COVID-19 responses have been largely top-down, the Global Fund's involvement has helped catalyze greater engagement of civil society and community-led organizations (and by drawing on private sector technology partners to provide support to community organizations we have helped overcome barriers to engagement). Mobilizing community systems for health is vital to getting community buy-in to test, trace and isolate, and will also be crucial in combating vaccine hesitancy.
- 4) **Ability to secure access to new COVID-19 tools through ACT-Accelerator.** As we have recently demonstrated with the new high-performing antigen RDTs, the Global Fund is playing a critical role in ensuring implementer countries get immediate equitable access to new tools to fight COVID-19, and that provision of the commodities is accompanied by guidance, technical assistance and implementation support.
- 5) **Unequalled experience of supporting prevention and treatment packages for infectious diseases.** More than any other development partner, we know how to support countries in devising and delivering prevention and treatment services for infectious diseases at scale.

Ensuring uninterrupted access to HIV and TB services in the hardest to reach regions of Sudan

In Sudan, COVID-19 restrictions threatened to limit access to HIV and TB health supplies and services. Fuel shortages, inflation and movement restrictions meant transport costs increased significantly and reliability plummeted.

Through Global Fund supported grants, partners including UNDP, the Federal Ministry of Health, and the National Medical Supplies Fund deployed a fleet of World Food Program trucks carrying 17 containers of HIV and TB medication and laboratory supplies providing five-months of supplies to Sudan's eight most in-need states: Kassala, Gedarf, South, North and West Kordofan, Blue Nile, Sennar and East Darfur.

Global Fund grants have also been reallocated to provide personal protective equipment for health workers across the country.

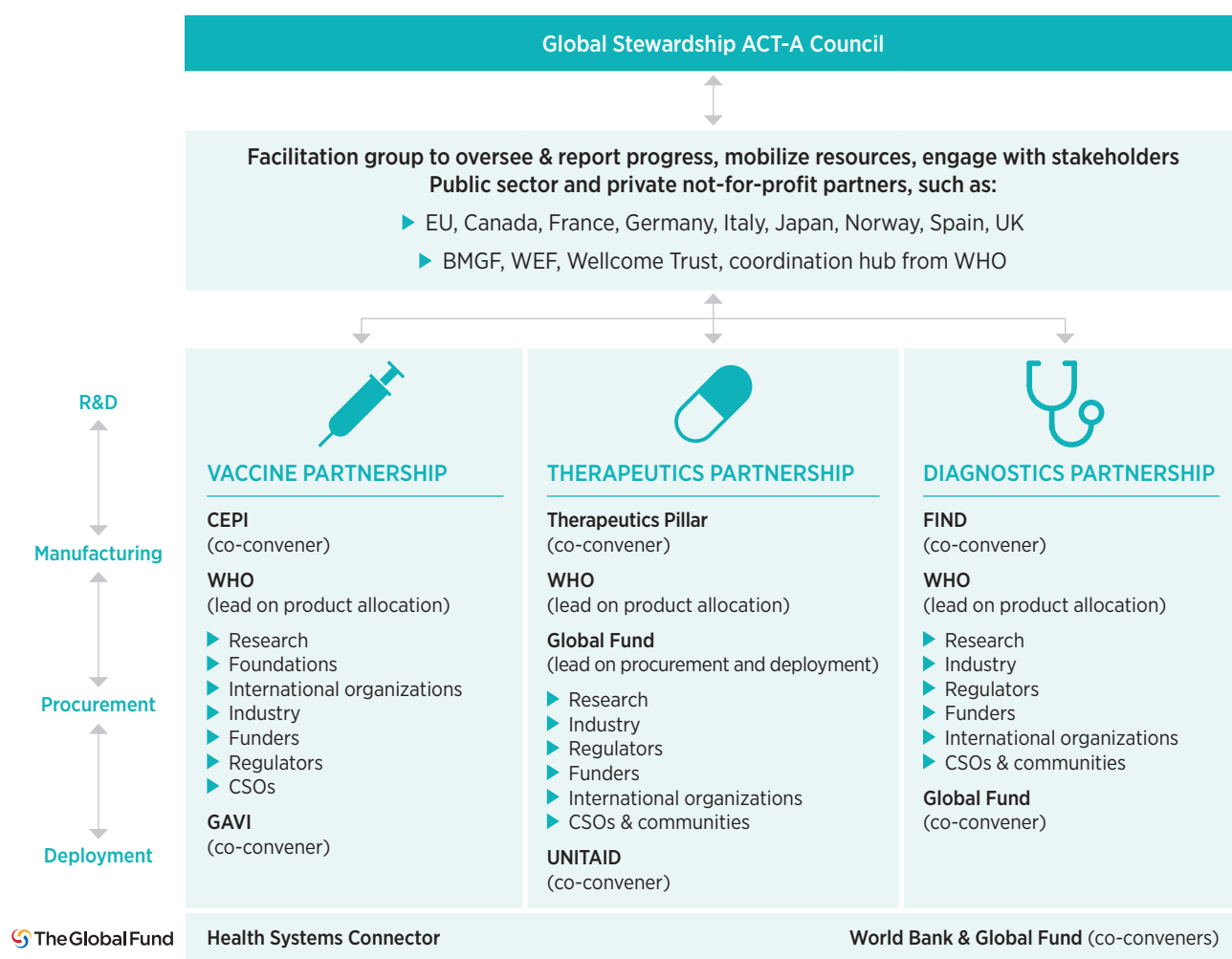


Sudanese health officials inspect and dispatch medical supplies provided by the Global Fund.

- iv) **Playing our part in the global response to COVID-19.** We have been deeply involved in the ACT-Accelerator from the very start, playing a significant role in its initial design and creation. We pushed hard for the ACT-Accelerator to encompass therapeutics, diagnostics, and health system enablers, not just vaccines; for there to be strong emphasis on equitable access and leaving no-one behind; and for there to be a commitment from the beginning to engage civil society. We helped shape the unique collaborative leadership model, and as the co-convenor of the Diagnostic Pillar (with the Foundation for Innovative New Diagnostics (FIND)), and the Health Systems Connector (with the World Bank and WHO), and also leading the Supply Workstream in the Therapeutics Pillar, the Global Fund is playing a leadership role in every aspect of the ACT-Accelerator, except vaccines (where Gavi, the Vaccine Alliance plays the equivalent role).

FIGURE 13

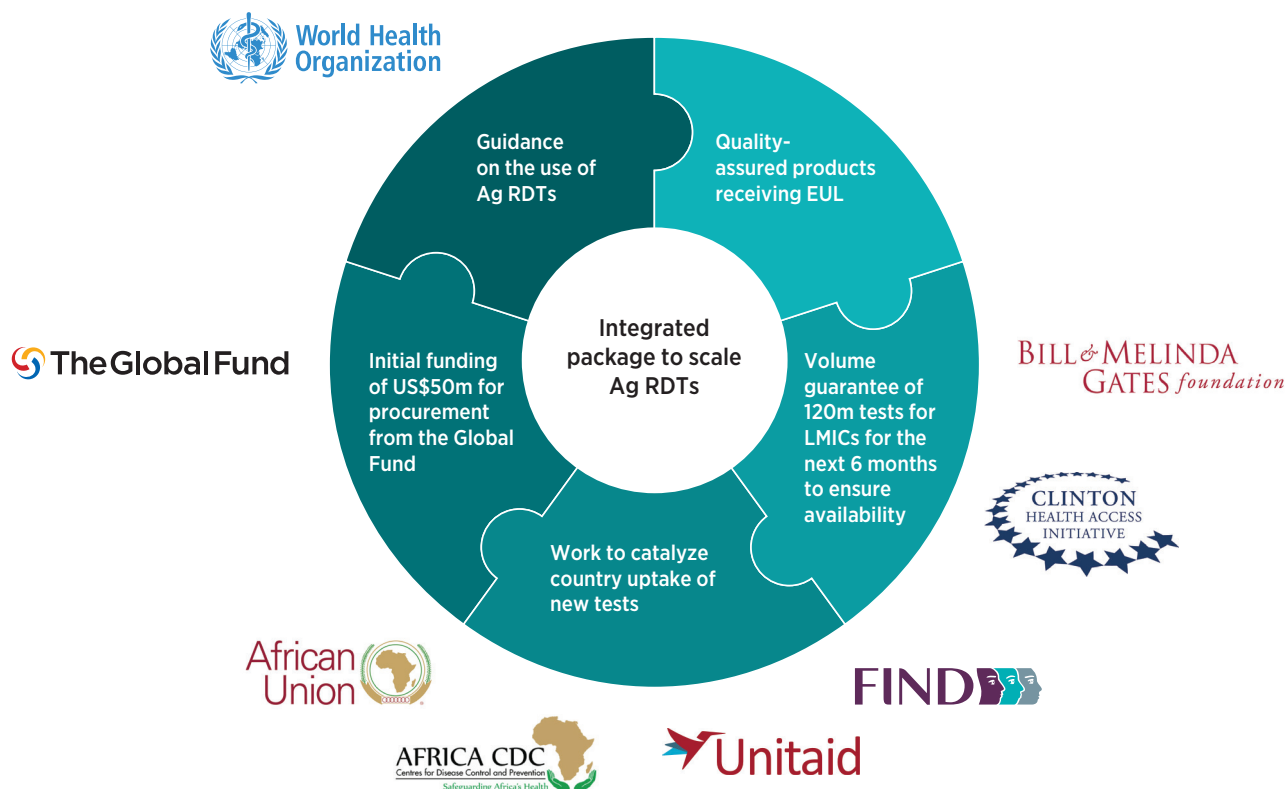
The Global Fund is a founding partner of the ACT-Accelerator and is playing a leading role in its operations



The ACT-Accelerator has proved remarkably successful in facilitating effective collaboration amongst global health partners (indeed there are lessons to be drawn from why it has been so much more successful than previous efforts).

The recent antigen rapid diagnostic test (RDT) announcement was a demonstration of the power of such collaboration. Working together, ACT-Accelerator partners including the Bill and Melinda Gates Foundation, the Clinton Health Access Initiative, FIND, the Global Fund, Africa Centres for Disease Control and Prevention (Africa CDC), UNITAID and WHO accelerated the evaluation and approval of 120 million high-performing antigen RDTs, secured volume and funding for low- and middle-income countries, and ensured the provision of appropriate guidance, technical assistance and implementation support. The ability to secure equitable access to innovative new tools and then to deliver them as part of a comprehensive support package will be hugely important as we see the emergence of the next generation of diagnostics (for example, nasal, saliva-based), therapeutics (for example, monoclonal antibodies, novel antivirals) and ultimately, vaccines.

FIGURE 14

COVID-19 Rapid Tests: A milestone in the fight against the pandemic

We have also played a significant role in the ACT-Accelerator's overall advocacy effort. To be able to deliver its goals, ACT-Accelerator partners need US\$38 billion, of which about US\$3.9 billion has been raised so far. The US\$38 billion figure required by the ACT-Accelerator far exceeds the capacity of current development assistance budgets. Yet OECD countries have already deployed over US\$10 trillion in exceptional financial measures in their own responses to the crisis. So far, most of this extraordinary financial response has been devoted to mitigating the domestic economic and social consequences of the crisis, rather than on new tools to fight COVID-19 or to mitigate the damage to low- and middle-income countries. Through the G7 and G20, and meetings such as UNGA and the Annual Meetings of the IMF and World Bank we are arguing for a shift of focus. The best way to mitigate the economic and social consequences of the crisis is to tackle the pandemic itself, and that means investing in the tools to fight SARS-Cov2. Moreover, the pandemic will only be contained if it is tackled everywhere: no one is safe until everyone is safe. We are also stressing the economic arguments: put simply, if investing US\$38 billion in ACT-Accelerator brought forward the resumption of global economic activity by just one week, it would have paid for itself several times over.

3 Our Priorities for 2021 and Beyond

Looking ahead into 2021, we face enormous uncertainties, not least around the future path of the COVID-19 pandemic and the potential time frames in which we might see the rollout of an effective vaccine or more effective therapeutics. These uncertainties around COVID-19 translate into very different scenarios around the potential socio-economic consequences on the countries in which we invest as well as the scale of the ultimate knock-on impact on the fight against HIV, TB and malaria. In this context, we have put forward a *2021 Work Plan and Budget Narrative* based on six key priorities.

FIGURE 15
Secretariat Priorities for 2021

i	Mitigate the impact of COVID-19
ii	Launch next cycle of grants
iii	Drive efficiency & effectiveness
iv	Invest in people
v	Finalize the next strategy
vi	Prepare for the Seventh Replenishment

i) Mitigate the impact of COVID-19

Until COVID-19 is defeated, our progress against HIV, TB and malaria will continue to suffer. We will continue to “lean into” the pandemic response, helping implementer countries through C19RM and playing a leadership role in the ACT-Accelerator. How much we are able to do will depend on the extent to which we are successful in attracting incremental donor support, since we have no intention of diverting Sixth Replenishment country allocations towards COVID-19. We must step up the fight against HIV, TB and malaria, recover the ground lost this year, and meet the cost of adapting programs to the COVID-19 context, so we need every dollar.

Yet we should recognize that the wider the spread of COVID-19 and the longer it lasts, the greater the knock-on impact on HIV, TB and malaria, and on health systems more generally. We will struggle to make significant progress against the three epidemics while countries and communities are wrestling with the new pandemic. With domestic political attention and resources diverted, health systems under acute pressure, and lockdowns of various types restricting movement, our ability to truly step up the fight against HIV, TB and malaria will be constrained.

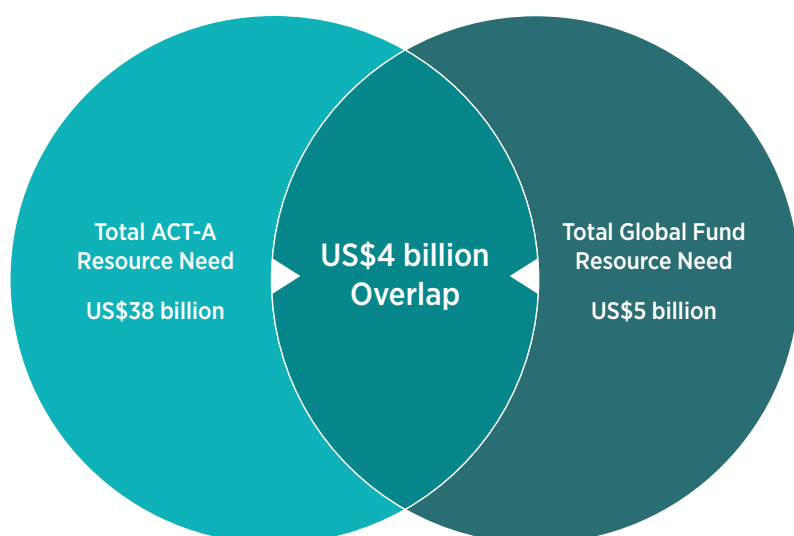
If we are successful in securing further funding for COVID-19 to support countries as they respond to the pandemic, we can ensure their response strategies incorporate certain elements that might otherwise not happen:

- ▶ **A focus on minimizing the total impact of COVID-19**, not just the direct impact. In many of the countries in which the Global Fund invests, and particularly those in Africa, the knock-on impact of COVID-19 in terms of lives lost, including the impact on HIV, TB and malaria, might well exceed the direct impact, given the interplay of demography, disease burden and epidemiology. Our CCMs are uniquely placed to understand the interdependencies between different interventions and to help implementer governments design and implement response strategies to minimize the total impact on the poorest and most vulnerable.

- ▶ **Much greater emphasis on community-led responses**, including community-based monitoring. Until a vaccine or much more effective therapeutics are available, COVID-19 response strategies will revolve around test-trace-isolate, so as to contain transmission. Experience thus far suggests that overly top-down or purely technology-driven approaches to test-trace-isolate have limited effectiveness and that community buy-in is critical to achieving effective contact tracing and adherence to isolation and social-distancing. Of course, the vital role played by communities in fighting infectious disease outbreaks is not a new insight: we learned it early on in the fight against HIV, and again with Ebola. The Global Fund partnership brings unique experience and capabilities in implementing community-led interventions at scale.
- ▶ **Fully leveraging existing infrastructure and capabilities** without diverting them from their original mission. Many countries have relied on the community health systems, laboratories, supply chains, etc. put in place by the Global Fund and partners such as Agence Française de Développement (AFD), PEPFAR, and the World Bank, in implementing their COVID-19 responses. Doing this optimally, without undue negative impact on the HIV, TB and malaria programs, requires detailed understanding of the operational constraints and programmatic trade-offs that our CCMs and PRs are uniquely placed to provide. In fact, COVID-19 should be the catalyst towards providing more effective integration of services, with greater emphasis on differential diagnosis (for example, COVID-19 versus TB), treatment of comorbidities and thus, people-centered care.
- ▶ An ability to **secure rapid and cost-effective access to innovative products** at a global level, while ensuring they can be deployed effectively with appropriate guidance and technical assistance in-country. The original rationale for the creation of the Global Fund was in large part to ensure the poorest and most vulnerable communities, including key populations, got access to high quality ARVs delivered through well-implemented treatment programs. Once again, we are positioned to play this role, most recently with COVID-19 antigen RDTs, prospectively with novel antiviral and monoclonal antibody treatments.
- ▶ A **rights-based and gender-sensitive approach with a focus on the poorest**, the marginalized and most vulnerable. It is vital that in the fight against COVID-19, as in the fights against HIV, TB and malaria, we leave no one behind. Yet thus far many countries' responses to the pandemic have exacerbated human rights-related barriers to accessing health services and have struggled to identify differential impact and needs by gender.

In *Mitigating the Impact of COVID-19 on Countries Affected by HIV, TB and Malaria (June 2020)*, we estimated that the Global Fund needed an incremental US\$5 billion over the next 12 months to support implementer countries in responding to the pandemic. While our estimates of some of the underlying components have been revised since this figure was published, the aggregate total remains about right. The Global Fund figure of US\$5 billion is consistent with the overall ACT-Accelerator ask of US\$38 billion. Our ask comprises US\$4 billion of the ACT-Accelerator total of US\$38 billion, plus US\$1 billion for adaptation of HIV, TB and malaria programs (since mitigating the knock-on impact of COVID-19 is not included in the ACT-Accelerator Investment Case). So far, we have succeeded in securing approximately US\$216 million in pledges from Canada, Germany, Italy, and FIFA. While I am enormously appreciative of the leadership shown by these donors, we clearly have a long way to go to raise the resources we need.

FIGURE 16
COVID-19 response estimated resource needs



Looking ahead, much depends on how successful we are in securing incremental funding for C19RM. As was agreed in the *Extension of C19RM Timeline and Operational Flexibility for COVID-19*, we will return to the Board if we secure over US\$500 million in additional contributions, or if we need an extension beyond April 15th, 2021.

ii) Launch next cycle of grants

For most people in the Secretariat and the partnership, the main focus in the first few months of 2021 will be launching the next cycle of grants. Some 171 grants, amounting to more than US\$9 billion in value are scheduled to begin in January 2021. A further US\$3.6 billion of grants are scheduled to begin later in 2021 or 2022. Of these later grants, US\$2.3 billion in funding requests have already been reviewed by the TRP, while another 58 funding requests representing US\$1.3 billion will be reviewed during 2021.

While the context in which the new grant cycle is being launched has changed dramatically, the ambition remains the same - to step up the fight against HIV, TB and malaria, getting back on track towards ending the epidemics by 2030 - as do key priorities, such as:

- ▶ **Scaling up and strengthening HIV prevention interventions**, including for adolescent girls and young women and key populations. We need to scale up such programs, while simultaneously improving their effectiveness, through more tailoring to the specific needs of priority populations, increased use of tools such as pre-exposure prophylaxis (PrEP) and self-testing, greater utilization of community-led delivery models, and more effective integration with related services (for example, sexual and reproductive health and rights (SRHR) and opioid substitution treatment (OST)).
- ▶ **Finding and treating missing people with TB.** We must turn the challenge of COVID-19 into an opportunity, using the emphasis on widespread testing for the pandemic to increase testing for TB. This will require careful coordination with the COVID-19 response, a greater emphasis on differential testing, and increased laboratory capacity. We also need to accelerate scale up of preventative treatment and coverage of MDR-TB treatment services.
- ▶ **Scaling up vector control and seasonal malaria chemoprevention (SMC) in high burden malaria areas.** We must accelerate the rollout of piperonyl butoxide (PBO) and dual active ingredient nets, while expanding SMC, to reduce transmission and mortality in the highest burden areas. As with TB, COVID-19 necessitates a greater focus on differential diagnosis, so that people with fevers caused by malaria are quickly identified and treated.
- ▶ **Enhancing impact in RSSH investments, including community systems.** Based on TRP approvals thus far, RSSH investments in the next grant cycle are expected to increase by more than 25%, more than the overall increase in grant funding, with increased emphasis on laboratory systems strengthening, integrated service delivery and community systems for health. Based on funding requests already reviewed by TRP, we anticipate investment in community systems to more than double in the next grant cycle.
- ▶ **Accelerating progress in tackling human rights and gender-related barriers to health**, building on the progress delivered through the Breaking Down Barriers initiative.

The 23.4% increase in average country allocations for the new cycle of grants provides an opportunity to scale up and accelerate progress. However, the reverses in some countries in mortality and incidence in 2020 as a knock-on consequence of COVID-19 means some of this incremental investment capacity will be needed to catch-up. Many programs will also face additional costs as a result of the pandemic, such as PPE and testing for frontline health workers, or delivery models more compatible with social distancing, such as switching from distribution of LLINs to village hubs to door-to-door distribution. On the other hand, some of the changes stimulated by COVID-19 may result in increased efficiency and effectiveness. Examples include multi-month dispensing of ARVs and TB treatments, much greater use of digital consultations, and GPS monitoring of bed-net delivery to households.

HIV, TB and malaria services reach families in remote Western Pacific Islands

Despite increased challenges due to COVID-19, the Global Fund and partners, including UNDP, have ensured people living in remote communities on islands in the Western Pacific have had reliable access to vital HIV, TB and malaria services.

In Samoa, this work has included providing remote HIV health services through video calls, text messages and social media to key populations such as men who have sex with men and transgender people. In Vanuatu, health workers provide door-to-door TB testing and contacting tracing as well as mosquito net distribution. Global Fund grant flexibility funds have also been used to provide health workers with personal protective equipment.



A TB patient taking her treatment at home in Funafuti, the main island of Tuvalu in the Western Pacific.

UNDP / Aurelia Rissak

A critical determinant of our impact is the quality of technical assistance provided at every stage from the submission of funding requests through grant implementation. We are enormously appreciative of the way partners have engaged with us to enhance coordination and collaboration. For example, I would highlight the combined approach to the provision of technical assistance adopted by Germany and the UK, Germany and France's joint approach to RSSH capacity building, and our close collaboration on deployment of USAID's Technical Support Mechanism to UNAIDS.

iii) Drive efficiency and effectiveness

In 2021, we will continue our efforts to improve efficiency and effectiveness across the Global Fund partnership, leveraging the lessons from our COVID19 experience, continuing to optimize our core processes, reinforcing our technology platforms, and strengthening our capabilities in specific areas.

In *Secretariat Operating Expenditure: 2021 Budget* we set out the Secretariat's Opex budget for 2021, which amounts to US\$315 million. This has been recommended to the Board for approval by the Audit and Finance Committee (AFC). This budget represents a 3% increase on the approved budget for 2020 of US\$305 million and includes an element of catch-up on various investment priorities deferred due to COVID-19, plus additional resources for the most overstretched parts of the organization, and targeted investments to reinforce our capabilities in critical areas like health finance, RSSH and quality assurance. Given that the projected out turn for 2020 is US\$297 million, cumulative Opex over the first two years of the cycle is projected to be US\$612 million, leaving US\$288 million for 2022 if we retain a cap of US\$900 million over the three-year cycle. Since this figure for 2022 is unlikely to suffice, we will return to the AFC in March 2021 with a specific proposal for how to revise the cap, supported with appropriate analysis. Our original idea was to have this discussion in July 2020 but deferring it until next March will give us far greater visibility on our likely needs and should also enable us to begin to set the scene for the next cycle. As I said in my report last year, I am supportive of having a three-year cap on operating expenses, since it helps ensure cost discipline, but the \$900 million figure no longer reflects the reality of what the Secretariat is being asked to do: grant volumes have increased significantly; the mix of grants is shifting towards components requiring greater Secretariat input per dollar of grant (for example, prevention, RSSH); and there is an increasing requirement for the Secretariat to play a catalytic role not directly tied to grant volumes (for example, human rights and health finance). Through ongoing efficiency improvements (including the move to the GHC) we have thus far been able to absorb such pressures while also increasing investment in various forms of assurance (for example, OIG, LFAs, Risk, Ethics, cyber/data security). However, there is an increasing disconnect between our strategic ambitions and the resources to deliver them and the challenges of delivering our core mission in the COVID-19 context are leading to unsustainable workloads for multiple teams across the Secretariat.

While the increase in the budget will alleviate some of the immediate pressures, we will also continue to identify and implement actions to pursue our effectiveness and efficiency, including:

- ▶ **Integrating learnings from the COVID-19 experience** into our core operating model. There are multiple areas where the simpler, speedier approaches to decision-making and process completion we have adopted during the crisis might have benefits in more normal times.
- ▶ **Systematizing the transition to a hybrid working model**, with greater emphasis on working-from-home and virtual interaction. We made this switch in response to the crisis, but do not expect to return to a norm of most people spending five days a week at the office, and therefore need to work through the full implications of new, more flexible model of work, combining both working-from-home and time in the office. This has significant implications for our technology infrastructure, management approaches, use of space, etc.
- ▶ **Leveraging our new approach to overall resource planning**, including strategic workforce planning and more structured approach to priority setting, to support better planning and prioritization across the three areas of: on-going core; strategic enabler activities over a three-year implementation cycle; and annual priorities reflecting the stage in the cycle.
- ▶ **Leveraging the Performance & Accountability process model** to identify and implement process improvements across the organization. To support departments in pursuing such initiatives, we have added two process experts to help teams reconfigure their processes for greater efficiency and effectiveness.
- ▶ **Continued investment in core technology platforms** such as the Grant Operating System (GOS), Corporate Data Warehouse, and the Demand & Operations tool (Oracle) supporting procurement.
- ▶ **Investing to strengthen our capabilities and impact in key priority areas**. Specific priorities for investment include:
 - 1) Creation of the new Health Finance department within Strategic Investment and Impact Division.
 - 2) Enhancing productivity in Finance through process improvement and automation.
 - 3) Establishment of a new team focused on helping countries strengthen laboratory networks within RSSH.

- 4) Reinforcing our approach to equity, using disaggregated data to target and tailor our interventions more precisely so we identify and reach those most in need.
- 5) Strengthening our core technology infrastructure, including data strategy, cyber -protection and data privacy.
- 6) Preparations for the Seventh Replenishment including the Investment Case and the 20th Anniversary of the Global Fund.
- 7) Finalization of the next strategy, including implementation planning.
- 8) Continued support of our COVID-19 response, including the C19RM Secretariat.
- 9) Enhancing key capabilities in Supply Operations, including quality assurance, strategic sourcing and strengthening our capacity to build in-country supply chains.
- 10) Reinforcing Secretariat M&E capacities.

Having deferred the expansion of CCM Evolution planned for 2020, we will look to accelerate rollout during 2021, taking account of lessons learned from the pilot phase of CCM Evolution, and adapting the model to the COVID-19 context. Based on feedback from the pilot phase, we are streamlining the assessments, allowing us to increase investment in improvements in CCM functioning. For example, we intend to provide every CCM with an oversight officer to help drive change and embed data-driven decision-making. Meanwhile, the COVID-19 experience has increased the need for digital solutions to facilitate inclusive engagement and decision-making.

One priority for 2021 is to agree and begin the development of the M&E Strategic Framework to ensure it is in place to support implementation of the new strategy. The Technical Evaluation Reference Group (TERG) and the Secretariat have worked together to develop the Evaluation Calendar for 2021-2022 which was recently reviewed by the SC. Together with the SC's Working Group on M&E, the TERG and the Secretariat will now develop proposals for the independent evaluation function, including the role of the TERG, for approval by the SC and the Board.

In the discussions thus far about M&E, there has been considerable emphasis on the importance of independence, and on striking the right balance between the learning and assurance objectives of M&E. While it is clearly right that evaluations should be entirely objective, I think it is a mistake to get too hung on the appearance of structural independence, rather than on behavioral independence, since ultimately what matters is that the evaluations demonstrate independence in their analysis and conclusions. I also think learning should be the primary objective of our M&E activities. As an organization, the Global Fund invests heavily in assurance, via OIG, Risk, Ethics, Finance, LFAs, etc. By contrast, we have so far invested very little in learning. The development of the M&E Framework, including reinforcement of the Secretariat's own evaluation capacity, is an opportunity to achieve a better balance.

iv) Invest in people

Implementation of the People Strategy will continue to be a top priority in 2021. Apart from tackling the pervasive issue of workload and burnout, key priorities will include:

- ▶ **Implementation of Phase 2 of the Total Rewards Review.** Phase 1, implemented in July 2019, applied the changes to rewards and benefits approved by the AFC to new staff. Phase 2, which will be implemented in January 2021, extends the application of these changes to existing staff. We have already begun to communicate these changes to staff.
- ▶ **Embedding our new Performance & Development system.** Our new performance management framework, P&D, is being implemented in full for the first time as we approach the end of the year, so as to enable full-year performance assessments and the setting of objectives for 2021.
- ▶ **Reinforcing our approach to diversity & inclusion.** I see this vital agenda as a journey for the organization, not a quick fix, and also, a journey for the entire Global Fund, not just the Secretariat. The process we have launched this year, including the organizational dialogue, revisions to policies and awareness trainings, will continue and expand throughout 2021.
- ▶ **Adapting our approach to the workplace.** Through our *Future of Work* initiative, including our employment policies, technology support and management practices to accommodate a more flexible, hybrid model combining working-from-home and time-in-the-office. This will have implications for our use of space at the GHC.
- ▶ **Reviewing the accessibility and strength of our internal justice mechanisms.** This includes for issues of sexual exploitation and abuse, harassment and bullying. Over the last couple of years, we have reinforced the institutional mechanisms for speaking out and seeking support, offering staff multiple channels by which to make their voice heard on sensitive issues (for example, "I Speak Out Now"). However, it makes sense to check whether these changes are having the desired result, so I have asked OIG to conduct an advisory review on this topic during 2021 (Exactly how this review is best carried out will need further thought, since OIG is itself an integral part of the internal justice mechanisms).

v) Finalize the next strategy

During 2021 we must finalize the Global Fund's strategy for the next phase of our journey, so it can serve as the foundation for our replenishment campaign in 2022.

While the core of our strategy – the focus on ending the epidemics of HIV, TB and malaria – will surely remain unchanged, there are some big issues we need to resolve on which stakeholders have differing perspectives. In this context, it's crucial that we hear these distinct perspectives, that the choices we make are based on the best data and evidence we can secure, and that we make transparent the trade-offs. Strategy is as much about what one chooses not to do, as about what one focuses on. We must also recognize how much the world of global health has been changed by COVID-19, and looking ahead, the scale of the challenge posed by climate change.

The three topics for the initial Cluster Sessions – global health security, RSSH and the partnership model – will illuminate different strategic trade-offs and should provoke some excellent debate.

For example, my view is that we must frame the fight against HIV, TB and malaria within a reconceptualized vision of global health security. From a resource mobilization perspective, this is imperative. When we go back to donors in 2022 seeking pledges for the Seventh Replenishment, COVID-19 and protecting the world against future pandemics will still dominate the global health agenda. If we ignore, or seek to compete with this agenda, we will find it extremely difficult to replicate, let alone exceed, what we achieved in Lyon last October.

Yet more fundamentally, I see this as the right thing to do from both moral and practical perspectives. The idea that protecting the world from future pandemics is a separate agenda from finishing the unfinished fights against previous pandemics, including HIV, TB and malaria, is morally and politically untenable. It equates to saying that a disease counts as a global health security threat when it kills (or might kill) people in rich countries, but not when it “only” kills those in the poorer parts of the world. Yet this is exactly what the world has done with HIV, TB and malaria; and it is not implausible that the same will happen with COVID-19. It's easy to envisage a scenario where a combination of abundant testing, better treatments based on monoclonal antibodies and a moderately effective vaccine effectively eliminate COVID-19 as public health threat in high income countries by the end of 2021, but that the virus continues to cause a large loss of life in low- and middle- income countries, particularly in vulnerable and marginalized communities. In that scenario, the global health discussion in 2022 could well shift quickly to focus on future pandemic threats, while finishing the fight against COVID-19 in the poorer parts of the world gets relegated to being one of many development priorities, competing with HIV, TB and malaria for resources. For COVID-19 to become another “residual pandemic”, no longer a threat to the rich world, but still killing millions in poorer parts of the globe, would be a disaster for the Global Fund partnership, and more to the point, for the people we serve.

From a practical point of view, the distinction between protecting against new infectious disease threats and finishing the fights against earlier threats also makes no sense, because the infrastructure and capabilities one needs to combat new threats are largely the same as one use to fight existing disease – laboratories, supply chains, community health workers, disease surveillance, etc. For many Global Fund countries, the infrastructure put in place to fight HIV, TB and malaria has been the essential foundation of the COVID-19 response. The redeployment of molecular diagnostic instruments put in place for TB diagnosis and HIV viral load testing as the core platforms for COVID-19 testing is just one example. Moreover, like muscles, such capabilities work best when being regularly used, rather than being held dormant in reserve.

The debate about RSSH is of course entwined with the discussion about health security, but the RSSH debate is much broader, which has both advantages and disadvantages. We need to resolve three interdependent questions about RSSH:

- 1) What balance should we strike between investing in RSSH because it's the most effective way of delivering on our HIV, TB and malaria objectives, versus investing in RSSH because building stronger systems for health is an objective in its own right?
- 2) On the basis that we cannot do everything given limited resources and bandwidth, which components of RSSH should we focus on, given the Global Fund's distinctive advantages relative to other development agencies?
- 3) How do we ensure our investments in RSSH remain outcome-focused, and thus demonstrably deliver value for money?

I do not think there's a snappy answer to these questions, which is why it's so important we spend time digging into and debating them.

Yet there is also urgency, because global policy-makers aren't going to wait for us. The debate about how to make the world safer from future pandemics is already dominating G7 and G20 agendas. The discussion about what role different agencies should play – both in response to the immediate crisis and looking beyond – is already unfolding.

Another theme that will undoubtedly factor in our strategy discussions will be the inter-related challenges of domestic resource mobilization and our effort to strengthen sustainability and support countries to prepare for transition. The projections for the Sixth Replenishment Investment Case assumed a 48% increase in domestic investment in the fight against the three diseases over the next cycle. Given the erosion of fiscal capacity resulting from the disruption to economic activity because of the pandemic, plus the competing demands of fighting COVID-19, domestic investment in the fight against HIV, TB and malaria will be under acute pressure. On a more positive note, COVID-19 is forcing implementer governments across the world to reassess the value of investing in health. For example, the recent Africa Leadership Meeting of Health and Finance Ministers focused heavily on both “more money for health” and “more health for the money”. The establishment of the Secretariat’s new Health Finance department is timely: to ensure our newly appointed Head of Health Finance gets off to a rapid start, I have asked OIG to conduct an advisory review on this topic, which they have already commenced.

While COVID-19 will inevitably create challenges for sustainability and transition, our Sustainability, Transition and Co-Financing Policy (STC) provides a strong set of tools and a flexible framework through which we can work with countries to adapt to and navigate the new context, while continuing to enhance sustainability and support transitions. The fundamental building blocks for achieving sustainability and the importance of this issue remain the same, with the ultimate determinant of success being political will, but the challenges and modalities of progression towards transition will undoubtedly be affected by the pandemic.

vi) Prepare for the Seventh Replenishment

Even before COVID-19 struck, we had concluded that the Seventh Replenishment campaign would need to be more than simply a repeat of the Sixth Replenishment. It’s hard to imagine how we could have done much better in 2019 - with President Macron’s extraordinary personal commitment and leadership, with coordinated, passionate and determined civil society advocacy across the globe, and with political leaders from implementer countries energetically pushing the case. One aspect we reckon could be strengthened is the Global Fund brand. We are well known in the global health community, but in many countries, including key donor countries, we have little visibility among the broader public and media, or in the business community, which makes the task more difficult for our political supporters.

In the COVID-19 context, it is arguably even more important to explain who we are, what we do, and why we are unique. When we get to 2022 and the Seventh Replenishment, political leaders in donor governments will need to be able to explain why it still makes sense to make large contributions to a partnership focused on HIV, TB and malaria when development assistance budgets are under acute pressure, the health issue on the public’s mind is COVID-19, and the global political agenda is dominated by health security and climate change. We need to begin 2022 with the Global Fund already positioned to ride these waves of political and public sentiment.

Achieving this is partly about ensuring the continuing visibility of the fights against HIV, TB and malaria, so they don’t get entirely eclipsed by the focus on COVID-19. It is also partly about ensuring people understand the value the Global Fund can bring in helping countries fight COVID-19. And finally, it’s about providing a clear and compelling narrative, based on the refreshed strategy, that can cut through the noise and competing agendas to secure the support we will need.

In 2021 we need to construct the foundations for the Seventh Replenishment, including the strategy, the brand refresh, and the investment case, and secure the host partners for both the preparatory meeting and the replenishment conference itself. 2022 will also mark the 20th anniversary of the Global Fund. This milestone is an opportunity to remind people, not just of what has been achieved, and how many lives have been saved, but of the spirit of global solidarity and boldness of vision that gave rise to the Global Fund. To win the fight against COVID-19, to finish the unfinished fights against HIV, TB and malaria, and to protect people against future infectious disease threats, we need that same spirit of solidarity and boldness of vision.

4 Concluding Observations

For the Global Fund partnership, COVID-19 is both a massive challenge and potentially, a huge opportunity.

The challenge is obvious. Not only will COVID-19 likely kill around 1.5 million people this year, roughly the same as the number of people who will die from TB this year, but it threatens to reverse many years of hard-won gains in the fight against HIV, TB and malaria. Unless we help countries respond to COVID-19, and adapt life-saving HIV, TB and malaria programs, the impact on the communities we serve could be disastrous.

However, there is also an opportunity. COVID-19 is forcing political leaders and policy-makers to think differently about health. It's also galvanizing far more effective collaboration and openness to innovation among actors across the global health space. If we can link the fight against HIV, TB and malaria to the response against COVID-19 and the imperative to protect the world from future pandemics, we can accelerate the end of the three epidemics.

The stark comparison between TB and COVID-19 illustrates both the challenge and the opportunity. At current rates, TB and COVID-19 will likely kill roughly the same number of people in 2020 – around 1.5 million. Total global expenditure on TB prevention and treatment is around \$6.5 billion; the equivalent figure for COVID-19 is more than a hundred times more. The R&D pipeline for TB has perhaps a handful of significant products that might be launched over the next twelve months; for COVID-19, there are hundreds of diagnostic, therapeutics and vaccines in the pipeline. Even the differences in data availability are striking: for TB, we will know how many people died as a result of the disease in October 2021; for COVID-19, we will have that number on January 1st, 2021. On the economic front, the downside of COVID-19 dominates IMF, G20 and domestic political discussions across the world; but the lost economic upside from getting rid of TB is barely noticed. In economics, as in other arenas, we are much better at recognizing what we have lost than what we might gain.

Our challenge as the Global Fund partnership is not just to mitigate the negatives of COVID-19 on HIV, TB and malaria, but to use the pandemic to challenge assumptions about what should be done and what can be done. We should see this fight, not just as the battle against one particular virus, but as commitment to finish the unfinished fights against HIV, TB and malaria and to protect everyone from future infectious disease threats.

2020 has been a massive test of the Global Fund partnership, and I am enormously proud of the way individuals and teams across the entire partnership have responded. I would like to thank the Board and Committee members, technical partners, civil society and community partners, private sector partners, donor and implementer governments for your collaboration and commitment to the mission. I would like to thank the staff of the Secretariat for their professionalism, passion and sheer hard work. Above all, I would like to thank the front-line health workers, both professional staff and community volunteers, for their courage and tireless efforts to save people's lives from HIV, TB and malaria, and from COVID-19.

**The Global Fund to Fight
AIDS, Tuberculosis and Malaria**

Global Health Campus
Chemin du Pommier 40
1218 Grand-Saconnex
Geneva, Switzerland

theglobalfund.org

T +41 58 791 1700