

Strategic Performance Report

51st Board Meeting

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Board Input

Purpose of the paper: This paper provides an overview of Strategic performance as of Q2 2024.

Key highlights

1. With an under-target 18.7% decline in combined incidence rate being achieved between 2015 and 2022 and increases in mortality rate for malaria and TB during the COVID-19 period, significant challenges remain in ending the three diseases by 2030. Concerted effort of the partnership is required to achieve not only the Impact KPI targets but also the SDG targets as also noted in SR2023 report.
2. Program essentials are key evidence-based interventions and approaches that follow the recommendations of technical partners for delivering effective, quality and equitable HIV, TB and malaria services. These program essentials helped the Global Fund steer country dialogue and investments in critical service delivery elements. Initial analysis shows that while policies for HTM program essentials are largely in place, implementation is lagging in most countries. The Secretariat will continue to work with partners to monitor and address bottlenecks hindering implementation progress.
3. Despite positive performance, initial results on the KPI for Community Systems Strengthening highlights the need to continue supporting countries to strengthen community health strategies, as restrictive laws and policies are increasingly being put in place, coupled with a closing space for civil society engagement. This pushback against human rights was one of the factors contributing to the underperformance of the main Human Rights KPI for the 2017-2022 Strategy. A partnership-wide approach to attempt to respond to such policy restrictions and anti-human rights movements will be key to improving public health outcomes for all populations at risk, as Global Fund investments on their own can only contribute to the overall response.
4. Performance on domestic resource mobilization is suboptimal. Over the GC6 implementation period (mostly 2021 to 2023), so far only 68% of the ambitious domestic commitments made were realized by countries for the three diseases and RSSH, against a 85% target. This is due to the negative impact of COVID-19 on HIV, TB and malaria spending, as well as due to lack of substantiated data from a few countries. Due to the weak global economy and debt burden, many countries are not expected to return to pre-pandemic levels until 2027 or beyond.
5. Secretariat financial management indicators continue to display strong performance; with also positive results on both market shaping KPIs supported by the Global Fund's Pooled Procurement mechanism but also by the Stop TB Partnership's Global Drug Facility.

Strategic Performance Summary

1. For Grant Cycle 7 (GC7), the Global Fund approved US\$9.2 billion so far in new grants to accelerate the fight against HIV, TB and malaria. In 2024, 152 new grants in more than 70 countries are beginning implementation to continue their lifesaving work to end the three epidemics and build sustainable and climate-resilient systems for health. Overall, thanks to significant work by countries, partners and the Secretariat, GC7 has been successfully launched alongside the work on C19RM reinvestments and portfolio optimization. US\$ 2.2 billion of C19RM funds have been invested to finance the Strategic shifts towards RSSH and Pandemic Preparedness programmatic areas of Surveillance System Strengthening, Laboratory systems, Human Resources for Health and Community System Strengthening, Medical Oxygen, and Health Product Management.

Primary Goal: End AIDS, TB and malaria

2. Impact KPI results for 2017-2022 Strategy period show that whilst 34.7 million lives were saved (**KPI 1a** – above target) over the 2017-2022 period, only 18.7% decline in combined incidence rate was achieved between 2015 and 2022 (**KPI 1b** –below target). Even though incidence and mortality rates have decreased, the pace of reduction is currently not sufficient to meet the 2030 SDG targets.
3. Strong performance on HIV, TB and malaria services is therefore critical. The first reporting for the corresponding KPIs for the 2023-2028 Strategy will take place in Q4 2024, built on grant targets and results for better measurement of accountable performance. So far, data from GC7 grants confirms the successful operationalization of the Strategy M&E Framework, enabling bottom-up compilation of meaningful and representative KPI results. A vast majority of GC7 grants so far have included in their performance frameworks the indicators that support reporting for disease related KPIs, leading to large and representative cohorts. Additionally, for indicators with available modeled projections, an alignment exercise confirmed that the national targets of GC7 grants (used for KPI tracking) have the appropriate level of ambition.
4. Program essentials are evidence-based interventions and approaches based on key recommendations of technical partners¹ that support achievement of the global HIV, TB and malaria targets and also the Global Fund Strategy. Program essentials were thus introduced in GC7 to support scale-up of critical interventions that also support equity in access to HTM services for all populations, in particular for key and vulnerable groups. Analysis of HIV and TB Funding Requests submitted in 2023 showed that, while policies for program essentials are largely in place, implementation is lagging in most countries. The largest implementation gaps in HIV relate to: primary prevention (PrEP/PEP and

¹ World Health Organization (WHO), the Joint United Nations Programme on HIV/AIDS (UNAIDS), the Stop TB Partnership, Roll Back Malaria (RBM)

harm reduction); differentiated testing and differentiated service delivery platforms; and for TB in areas related to systematic TB screening, private sector engagement, digital surveillance and human rights programming.

5. Fourteen countries have been selected as HIV incidence reduction focus countries for intensive technical and programmatic advice and support for HIV prevention investment planning. To increase attention on HIV prevention-related results, the Secretariat has also established a Global Fund HIV Prevention Results Framework² to clarify priority HIV prevention outcomes, aligned with global HIV prevention targets (more people with increased HIV risk using HIV prevention options – e.g. condoms, PrEP/PEP, harm reduction commodities).

To further TB prevention efforts, the Secretariat plans to support uptake of shorter TB Preventative Therapy (TPT) regimens as well as Infection Prevention and Control measures (IPC) in countries. The Secretariat is also working with partners (GAVI & others) on planning for the introduction of a TB vaccine once it becomes available.

Introduction of the Revolving Facility³ led to significant increases in demand from countries to transition to more impactful dual active ingredient insecticide treated nets (ITNs) to address insecticide resistance. Scale up of seasonal malaria chemoprevention (SMC) has also continued to additional eligible ages and geographies, with the Secretariat also exploring innovative ways to improve the quality of SMC campaigns and integration with other health activities.

6. Despite large investments in TB diagnosis, treatment and care for both drug-sensitive and drug-resistant TB, significant commodity gaps particularly for TB cartridges were seen in Unfunded Quality Demand⁴ for GC7 grants reviewed so far. Early and accurate diagnosis to find and successfully treat missing people with TB will remain a priority for GC7 and the need to leverage additional funding to cover these gaps will be crucial. Countries have also set ambitious targets to scale up new treatment regimens such as BPAL/M regimen- a shorter and more effective treatment regimen for DR-TB and would need additional support for successful scale up.

To increase equitable access to care for malaria, a strong focus has been put on scaling up community health workers, and for the first-time non-malaria commodities are introduced for integrated community case management to enable more comprehensive services at community level. As proved by Azerbaijan, Tajikistan, Belize, and more recently Cabo Verde – certified malaria-free by WHO in 2023 and 2024 – the target of eliminating malaria is still within reach. Even though the E2030 Strategic Initiative has ended, the Global Fund shall remain focused on elimination of malaria in the countries we support.

² https://www.theglobalfund.org/media/4765/core_hiv_infonote_en.pdf

³ <https://www.theglobalfund.org/en/news/2023/2023-08-22-global-fund-announces-new-mechanism-increase-access-more-effective-mosquito-nets-prevent-malaria/>

⁴ <https://www.theglobalfund.org/en/grant-making/unfunded-quality-demand/>

Mutually Reinforcing Contributory and Evolving Objectives

Maximizing People-centered Integrated Systems for Health to Deliver Impact, Resilience and Sustainability

7. The Strategic Review 2023 (SR2023)⁵ found that the M&E-related recommendations identified in the previous Strategic Review, SR2020, as well as wider measurement challenges with the KPI 2017-2022 Framework previously discussed with the Strategy Committee and Board, have been largely addressed through the new, integrated M&E Framework. For example, the SR2023 report notes that gaps in M&E coverage for RSSH have been addressed through the development of specific indicators within the Modular Framework.
8. Community systems for health play a vital role in combatting the three diseases and reinforcing system resilience and sustainability. KPI results for 2023 are positive with 26% (vs 2023 milestone of 22%) of the countries in the cohort having maturing or strong systems in place for community health service delivery (**KPI S4** – on track). While systems are in place in most countries for specific aspects (for instance, data or capacity), further support is required to strengthen community health strategies and address restrictive laws and policies in the current context of global anti-rights and anti-gender movements. This will require a partnership-wide approach to meaningfully respond to policy restrictions for improved public health outcomes for all populations.
9. Equitable access to affordable, quality commodities, diagnostics and health care innovations are critical components of HTM and broader health services. Supply continuity continues to be ensured in 2023 with almost all priority products (both High-Volume and Low-Volume) having the required number of Quality-assured suppliers (**KPI S9**). The target was met for HIV and malaria products available through the Global Fund's PPM mechanism as well as for TB products available through the Stop TB Partnership's Global Drug Facility.
10. Additionally, in 2023, market shaping efforts by Global Fund and partners resulted in price reductions with first-line ARV TLD being made available below \$45 per person per year, 20% price reduction for GeneXpert TB cartridges, and lower pricing for more effective Dual AI nets⁶.
11. The Global Fund is also strengthening collaboration with partners including African institutions, PEPFAR, USAID, WHO, and Unitaid to promote capacity building for regional manufacturing. The initial focus of the NextGen market

⁵ The Strategic Review 2023 (SR2023) is the independent end-term evaluation of the implementation of the 2017-2022 Strategy (GF/B51/10A, GF/B51/10B, GF/B51/10C).

shaping approach⁷ is to support capacity building for regional manufacturing in Africa, where the biggest gap exists between high-volume demand and supply.

12. Innovating, deploying, and scaling up new products is critical to ending AIDS, TB, and malaria. The target for **KPI S10** was met in 2023 with successful introduction of all 6 priority products from the cohort. Additionally, the Global Fund has been maintaining a multi-year product pipeline regularly reviewed with relevant partners to identify promising upcoming innovations across product categories and diseases, and to plan ahead for scale-up. In 2023, the Global Fund launched a Revolving Facility to secure improved supply terms through advance market commitments. The Global Fund has also designed an Access Fund to be operationalized in 2024 to provide time-limited co-payments for the purchasing of new products using country grants.

Contribute to Pandemic Preparedness and Response

13. Initial cohorts and baseline scores have been determined for the three Pandemic Preparedness KPIs monitoring progress in: laboratory testing; disease surveillance; and implementation of IHR. First results will be reported in Q4 2024 for these KPIs.
14. These KPIs account for 3 out of the 5 C19RM strategic priorities⁸ shaping the shift of programming available funds from emergency response to systems strengthening and pandemic preparedness. US\$ 2.2 billion of funds available to finance the strategic shift through C19RM reinvestment and portfolio optimization resulted in significant scale-up of investments in these programmatic areas. Therefore, given the limited increase in funding available for country allocations, most of the investment in areas monitored by the KPIs has been through C19RM rather than GC7 allocations, requiring careful planning and alignment of C19RM and GC7 investments.

Maximizing the Engagement and Leadership of Most Affected Communities to Leave No One Behind

15. Communities are often best positioned to guide and implement health programs to effectively respond to their diverse needs, and to identify and contribute to addressing structural barriers to HTM outcomes. Global Fund processes need to support community-led service delivery, and the first result of the community satisfaction survey show that the average satisfaction of communities with engagement at the Funding Request stage is at 68% (**KPI C1** - below the 75% threshold). While this score reflects a decent level of satisfaction with the Funding Request process, it is based on partial data (only one stage, subset of countries). As GC7 continues to roll out, the Secretariat will collect more information and will

⁷ https://www.theglobalfund.org/media/13586/publication_next-generation-market-shaping-approach_overview_en.pdf

⁸ The other two are Oxygen and Health product and waste management, see [COVID-19 Response Mechanism Information note](#)

monitor the outcomes of newly introduced measures (e.g., embedding of minimum expectations for community engagement) to inform and tailor strategies to address under-representation of some communities.

16. Engagement has also been a core area of focus for Country Coordinating Mechanisms (CCMs). The CCM Evolution Strategic Initiative (for 2020-2023 period) focused on four robust interventions aimed at championing community leadership and involvement in CCM planning, decision-making, and oversight. The updated engagement guidance and implemented interventions through the CCM Evolution Strategic Initiative yielded positive results, with an average 14% increase in maturity scores for Engagement across 52 CCMs⁹.

Maximizing Health Equity, Gender Equality and Human Rights

17. The Global Fund's potential to have sustained impact on the three diseases and catalyze meaningful progress toward achieving the global targets hinges on its ability to advance more equitable responses and effectively reach those most affected, including key and vulnerable populations and young people.
18. The current global situation is challenging with regressive movements against human rights and gender equality that are gaining ground globally¹⁰. In the 2017-2022 Strategy, no country achieved comprehensive programming for TB, and only one priority country (Ukraine) did so for HIV (final result for **KPI 9a** – target not met). Countries nevertheless showed progress in reducing Human Rights barriers to HTM services, still notable given the global anti-rights context.
19. In GC7, program essentials based on recommendations of technical partners were introduced as a strategic lever to support the equitable access to highly impactful interventions. Analysis of 50 HIV and TB Funding Requests from Windows 1 and 2, largely showed insufficient support for integration of Human Rights program essentials in HTM programming, indicating the importance of scaled-up investments for the relevant programs.
20. The new equity-related KPIs¹¹ will rely on indicators included in grant performance frameworks to track inequities in the local country contexts. To date, several High Impact and Core portfolios included indicators specific to their country contexts and the main equity dimensions identified have been: age inequities (e.g. *children's access to ART; malaria testing for children under five*); geographic inequities (e.g. *malaria testing in hard-to-reach communities*); and inequities facing specific populations (e.g. *TB notifications among prisoners or other high-risk populations*).
21. A Gender Equality Marker was also instituted in GC7, and initial results show that around 47% of allocation funding recommended for grant-making was gender

⁹ Results as of 1 Feb 2024 for CCMs with both baseline and endline assessment scores available

¹¹ KPIs E2a and E2b, to be first reported in Q4 2025

equality focused. The average satisfaction of women and gender-diverse communities with engagement in the Funding Request stage was at 68% though, below the 75% threshold (**KPI E3a** - below target). Results were based on the same standardized survey used for KPI C1 and here as well it is too early to draw definitive conclusions with the current partial data.

Mobilizing Increased Resources

22. With Seventh Replenishment pledges not meeting the target (**KPI R3**), there was only a modest increase in country allocations and reduction in catalytic funding, and thus conversion of pledges to cash is a high priority for the Secretariat. Preparation for the 8th Replenishment have started, with the development of the overall Strategy and the Investment Case already underway.
23. During the GC6 period, the impact of COVID-19 on the fiscal position of implementing countries led to challenges in mobilizing domestic resources for HIV, TB, malaria, and health systems. The most recent results show that for countries with grants approved in 2023, only 68% (vs 85% target – **KPI R1a**) of the ambitious domestic commitments were realized during the GC6 period, with underperformance driven partly by the impact of COVID-19 on domestic spending for HIV, TB and malaria, as well as on lack of substantiated data from a few countries. The current overall residual risk for health financing, co-financing and sustainability is also rated at the higher end of High. To address these challenges, the Secretariat, with support of the partnership, continues advocating for more domestic investment and use the STC policy¹² as a strategic level to incentivize national effort. The Secretariat is also collaborating with countries to ensure that commitments made for GC7 are realistic and accountable. A more proactive system of risk management for co-financing realization has also been developed, tracking the implementation of mitigation actions for countries at risk of not meeting their commitments, with initial results showing promise, albeit based on a small cohort for now (**KPI R1b**).
24. The main indicator for in-country financial management systems, i.e., timeliness and quality of grant audit process by Supreme Audit Institutions (SAIs), is currently off track with only 47% (7/15) countries (vs 80% target – **KPI R2**) meeting the expected standards. This still represents progress compared to 2022 baseline scores as well as an increase in the use of SAIs with 4 additional countries. Memoranda of understanding have been signed with several regional oversight SAI bodies to increase the use of SAIs while also providing them targeted capacity building support to efficiently execute their oversight role. Additionally, the Global Fund will support progressive utilization of various components of the country's systems that underpin "One Plan-Budget-Report".

¹² Sustainability, Transition and Co-financing policy, More details available in [GF/B50/13](#)

Financial Performance

25. Overall, the financial performance continues to be strong. 7th Replenishment pledge conversion (**KPI F1**) is on track, with US\$3.8 billion (28%) already secured in cash by end 2023. Corporate asset utilization (**KPI F2a**) of 96% indicates maturity in financial management with US\$20.7 billion of funds expected to be utilized out of US\$21.7 billion in assets. Allocation utilization (final result for **KPI 7a**) is also high at 96% for GC6 grants, supported by strong disbursement performance.
26. Operating Expenses (OPEX) for the year 2023 reached US\$ 337m with optimal budget utilization of 99% and limited flexibility to fund emerging needs and other workload related tensions. Strategic Initiatives financial performance is improving, with 87% fund utilization at December 2023, and 91% projected by the end of the cycle.
27. GC6 grants entered the final year of program implementation and report proximal In-country Absorption (ICA) of 81% at December 2023 (based on available financial information for High Impact & Core grants submitting Pulse Checks). Absorption is then expected to exceed the 75% target when it will be reported in Q4 2024, using full 2023 data.

C19RM grant performance reports a proximal ICA of 61% at December 2023 (based on available financial information for High Impact & Core grants submitting Pulse Checks) showing progress and also reflecting the impact of budget rephasing of the recently approved investment shift.

KPI performance summary

2017-2022 KPI Framework results

KPI		Final result	Target	Performance
1a	Lives saved	Estimated 34.7m lives saved over 2017-2022 period	29m [28-30] over 2017-2022	●
1b	Incidence reduction	18.7% decline in combined incidence rate between 2015 to 2022	38% [28-47] between 2015 to 2022	●
9a	Reduce Human Rights barriers to services	1 priority country for HIV; 0 priority country for TB	4 priority countries for HIV and TB respectively	●
7a	Allocation utilization	96% allocation utilization for GC6	91-100% for GC6	●

2023-2028 KPI Framework results

KPI		Latest result	Target	Performance
C1	Community engagement	68% satisfaction (in 1 stage of grant life cycle)	75% (in 3 stages of grant life cycle)	●
E3a	Advancing gender equality	68% satisfaction (in 1 stage of grant life cycle)	75% (in 3 stages of grant life cycle)	●
S4	Community systems	26% countries had maturing or strong systems in place	22% (2023 Milestone)	●
S9	Supply continuity	97% products had reqd. number of suppliers	90%	●
S10	Introduction of new products	100% products introduced	80%	●
R1a	Realization of domestic commitments	68% committed amount realized	85%	●
R1b	Mitigation of co-financing risks	79% milestones met	80%	●
R2	Quality of external audit process	47% countries met timeliness & quality criteria	80%	●
R3	Pledges for 7 th Replenishment	87% of R7 target met	100%	●
F1	Pledge conversion	28% cash received	30%	●
F2a	Corporate asset utilization	97% corporate asset utilization	95%-98%	●