

Secretariat Management Response: Strategic Review 2023

51st Board Meeting

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Board Information

Purpose of the paper: This paper provides the Secretariat Management Response to the independent end-term evaluation of the implementation of the 2017 - 2022 Strategy (Strategic Review (SR) 2023) commissioned by the Evaluation and Learning Office (ELO). This document should be read in conjunction with the final evaluation report (GF/B51/10A) and the Independent Evaluation Panel (IEP) Commentary (GF/B51/10B).

Secretariat Management Response

Strategic Review 2023 (SR2023)

Introduction

Independent evaluation is a critical component of the Global Fund Partnership. Independent evaluation provides the opportunity to learn, further strengthen how the Global Fund works, and inform Board and Secretariat deliberations on important topics. In November 2022, the Board established a new independent evaluation and learning function¹ to ensure that evaluations are relevant, timely and of high quality, providing findings and recommendations that drive the Global Fund closer to achieving our goal of ending AIDS, tuberculosis (TB) and malaria as epidemics and achieving our Strategy². The function started operations in 2023 and this review was its first evaluation.

An integral part of these evaluations is the Secretariat Management Response, which affords the Secretariat the opportunity to comment on the evaluation findings, conclusions and recommendations as well as outline the steps that will be taken forward in response to the evaluation.

The Global Fund highly values transparency and publishes independent evaluation reports, alongside the commentary of the Independent Evaluation Panel (IEP) and the Management Response, according to the Evaluation Function Documents Procedure approved by the Strategy Committee.

In 2023, an independent end-term evaluation of the implementation of the 2017-2022 Strategy³ was commissioned by the Global Fund. The evaluation was performed by independent evaluators, managed by the Evaluation and Learning Office (ELO). The ELO's activities are overseen by the IEP. The objectives of the Strategic Review 2023 (SR2023) were to:

1. To assess the extent to which the Strategic Objectives of the 2017-2022 Strategy have been achieved.
2. To assess the degree to which the Global Fund initiatives, policies, systems, and processes played a role in ensuring the relevance, coherence and effectiveness of the Global Fund Strategy.
3. To make actionable recommendations with respect to the implementation of the 2023-2028 Strategy and planning process for the Grant Cycle 8 (GC8).

The Secretariat welcomes the Strategic Review 2023 and expresses appreciation for the strong collaboration with the new Evaluation and Learning Office (ELO) as well as for the significant amount of work conducted by the evaluators.

The Secretariat partially endorses the key findings and the high-level conclusions from the report and partially agrees with the recommendations. Annex 1 to this document provides the Secretariat's response to the recommendations, including level of acceptance and activities to be undertaken to address the recommendations.

¹ [GF/B46/DP06](#). This function includes an Evaluation and Learning Office (ELO) situated within the office of the Executive Director, as well as oversight from an Independent Evaluation Panel (IEP) which reports to the Global Fund Board through its Strategy Committee.

² [Fighting Pandemics and Building a Healthier and More Equitable World: Global Fund Strategy \(2023-2028\)](#)

³ [The Global Fund Strategy 2017-2022: Investing to End Epidemics](#)

Note: The Global Fund typically refers to the “business model” and the “funding model” as the set of fundamental Board policies that define the principles of governance and operations of the Global Fund, and as the framework within which the Global Fund provides funding to countries. These models are implemented through operational policy and guidance developed by the Secretariat. As the evaluators took a different approach in the use of those terms, the readers should be mindful of the distinction to avoid any confusion in the interpretation of the report.

Observations on the findings and conclusions of the Strategic Review 2023

Overall

The Secretariat appreciates the recognition by the independent evaluators of the overall strong impact of the Global Fund partnership towards the achievement of the 2017-2022 Strategy. This review finds a “mature funding model that has been strengthened and refined over the 2017-2022 Strategy period”, supported by “a comprehensive policy framework”, a “well-developed risk management approach”, and a “strong suite of strategic levers that have well supported Strategy achievements”. The evaluation underscores the Key Performance Indicators (KPI) results, including that the Global Fund partnership exceeded its Strategy target of 29 million lives saved. It concludes that Global Fund investments are a “critical contributor to disease responses across different country contexts”, and that HIV, TB and malaria investments increasingly focus on the “most important aspects of a comprehensive disease response”. The evaluation finds new quantitative evidence that grants performed better in countries where the Global Fund played a greater role within the donor landscape. The evaluators also note that the introduction of the COVID-19 Response Mechanism (C19RM), despite some challenges, “has exemplified the Global Fund’s agility and flexibility” and finds quantitative evidence that C19RM expenditure contributed to improved antiretroviral therapy (ART) service delivery after the COVID-19 pandemic peak. These findings are encouraging, as the Global Fund is now making its largest investments in RSSH to date, with C19RM and Grant Cycle 7 (GC7) providing over US \$4 billion of direct Resilient and Sustainable Systems for Health (RSSH) funding over the next 3 years⁴. Historically, Strategic Reviews have served as an important external and independent verification of the Global Fund’s overall progress and how well our model works to effectively deliver on Strategy objectives, and the SR2023 remains helpful in this regard.

The SR2023 recommendations are predominantly to continue to strengthen and optimize much of what is already being taken forward in GC7 under the 2023-2028 Strategy and incorporated in the new Monitoring, Evaluation and Learning (MEL) Framework. The Secretariat understands this as signifying a well-functioning operational model and partnership that are both delivering and learning from each cycle. The evaluation also suggests several areas for further refinement, which will be helpful in considering operational changes in advance of Grant Cycle 8 (GC8).

The Secretariat agrees that challenges remain at the end of the 2017-2022 Strategy period, including the significant gaps to achieving the 2030 Sustainable Development Goals (SDGs) HIV, TB and malaria incidence targets, and in further strengthening systems for health, and in protecting human rights and advancing gender equality. The latter are complex and multifactorial challenges with often deep-rooted causes that are only partially responsive to Global Fund funding and influence. To maximize the impact of Global Fund investments towards achieving the SDG universal health coverage (UHC) target, the Global Fund supports systems investments in key areas of Global Fund strength, which both expand the impact of HIV, TB and malaria investments and support country-owned health and community system priorities. The Global Fund is continuing to more systematically integrate human rights, gender equality and equity considerations within HIV, TB and malaria programming to help tackle the drivers of the diseases and shape a broader enabling landscape. This is particularly important given the current significant backlash against human rights and gender equality, alongside the closing civil society space.

⁴ This doubles the direct RSSH investments compared with Grant Cycle 5 (GC5) and Grant Cycle 6 (GC6).

Resilient and sustainable systems for health (RSSH)

The evaluation welcomes a number of important changes that the Global Fund has adopted as part of the 2023-2028 Strategy to redouble effectiveness of RSSH investments. SR2023 notes the “new, welcome clarity on the hierarchy of Strategic Objectives”, the “greater specification of the Global Fund RSSH approach, including explicit recognition of its limited quantum in relation to much larger health systems investments by governments and donors” (the Global Fund provides <1% of overall funding for systems for health⁵), as well as clarity provided by the new Strategy’s sub-objectives in outlining the specific areas of partnership strength and focus in delivering the Strategy’s objectives, including on *Maximizing People-centred Integrated Systems for Health* and *Maximizing Health Equity, Gender Equality and Human Rights*.

Under the 2017-2022 Strategy, the evaluation finds a “firm recognition of the value of RSSH within the context of Global Fund investments”, with “increasing prioritization of RSSH over the 2017-2022 Strategy period”. The report notes the Global Fund partnership’s important contributions to the Strategy’s seven areas of RSSH focus⁶ and recommends that the Global Fund should consider further focusing within these prioritized areas going forward. For example, the evaluation observes that RSSH funding is filling important country needs and gaps and highlights some substantial improvements in the availability and quality of data as well as uptake of innovations (~40% RSSH funding during the period was for data systems strengthening and monitoring and evaluation (M&E)). However, the report also finds that “Global Fund has had limited impact on building RSSH”. This finding may assume that broad RSSH progress can be rapidly created on pace with the delivery of biomedical interventions, underplays the larger structural challenges (such as political will, economic capacity, or instability) in lifting the overall levels of systems for health, and omits consideration of the large confounding factor of the COVID-19 pandemic on efforts to strengthen systems for health during this period. Notwithstanding the contrasts between the evaluation’s findings, the Secretariat agrees that there were a number of RSSH areas where improved attention and focus were needed at the end of the 2017-2022 Strategy (including as outlined in the 2023-2028 Strategy, based on these learnings, and as taken forward under GC7). The Secretariat also generally agrees on the need to focus RSSH investments in areas of strong strategic relevance and comparative advantage behind country-led plans, rather than spread investments thinly.

The review’s finding that the majority of RSSH investments over the period have “largely been disease-specific and short-term in nature” is not well supported by evidence, as the split between direct and contributory investments was almost 50/50 during GC5 and GC6 (GF/SC23/12). It is also important to recognize that for disease programs to deliver critical services in the near-term, short-term investments are often needed (such as human resources for health (HRH) investments), while concurrently investing in longer-term systems building and transition of systems support to governments. One such example of this during the Strategy period was the Global Fund’s near-term support for community health workers (CHWs) in Mali, while over the longer-run the Global Fund worked with the government to pass a decree that legally recognizes CHW work, allowing the state to start paying their salaries. Systems strengthening efforts such as policy and legal frameworks for CHW recognition do not necessarily require large grant investments, and near-term support for CHWs contributes to life-saving health outcomes, while creating openness for systems strengthening and sustainability engagement. Both are

⁵ GF/B47/09/C; Global spending on health: coping with the pandemic. Geneva: World Health Organization; 2023; Global Fund budget data and C19RM awards.

⁶ The 2017-20202 Strategy objective to ‘Build Resilient and Sustainable Systems for Health’ was supported by seven Operational Objectives: 1) Strengthen community responses and systems, 2) Support reproductive, women’s, children’s, and adolescent health, and platforms for integrated service delivery, 3) Strengthen global and in-country procurement and supply chain systems, 4) Leverage critical investments in human resources for health, 5) Strengthen data systems for health and countries’ capacities for analysis and use; 6) Strengthen and align to robust national health strategies and national disease-specific strategic plans, 7) Strengthen financial management and oversight.

essential to making health systems progress, and comparing funding amounts between the two can be misleading in view of their intended impact.

It is helpful to know that the SR2023 does not recommend any substantive model revisions as necessary to deliver on the Global Fund's 2023-2028 Strategy. The SR2023 recommendations in relation to RSSH are operationally focused, for example to strengthen RSSH engagement on CCMs, improve communications information on RSSH, and for RSSH PRs/SRs to be government departments responsible for leading health system functions as relevant. The Secretariat agrees with taking forward a number of these recommendations in preparation for GC8 as part of a holistic consideration of all available levers to improve the impact of RSSH-PPR investments.

Regarding the recommendation to review closely a separate RSSH allocation, the Secretariat refers to the 2024 "Independent Evaluation of the Global Fund Resource Allocation Methodology", which reviewed this issue and concluded that a fourth share for RSSH in the upfront disease split is not recommended. This matter will be further addressed as part of the work to review the Allocation Methodology ahead of GC8.

Sustainability

SR2023 acknowledges "an increasing emphasis on sustainability" in GC7. The Secretariat agrees with the criticality of strengthening sustainability efforts, particularly in the rapidly changing global health and development environment. While recommendations in the report are predominantly high-level, they outline overarching areas of work that are largely being implemented in GC7⁷, thereby providing helpful external verification of the Secretariat's and wider partnership's current focus. The Secretariat plans to have a particular focus on intensifying sustainability efforts over the coming years, while noting that on a country-by-country basis, these efforts may be affected by external forces outside the partnership's control.

Other areas

The evaluation notes other important areas where the overall model is working well or can be further strengthened to deliver the Strategy's aims. Catalytic Investments are noted to have "proved critical for results (e.g., finding missing TB cases, several Community Rights and Gender (CRG)-related initiatives)" and that "the Technical Evaluation Reference Group (TERG) evaluation findings and recommendations for Strategic Initiatives and Multi-country grants have largely been taken forward, with nuance and flexibility in their application". It also notes that "considerable efforts [have been made] towards developing effective partnerships, which are viewed to work reasonably well within the context in which they operate", although there remain some weaknesses in relation to RSSH, where "there are limited partners to support TA for Global Fund RSSH investments", which stems from the fact that "RSSH is multi-faceted and no one partner can provide support across all the various areas [of RSSH]". Likewise, the evaluation finds that while partnerships for gender equality and human rights are strong for HIV, there is opportunity for them to be strengthened in the case of TB and malaria, where the evidence base is newer and the partnership ecosystem is less developed. The C19RM mechanism successes noted above are also underscored by broader evidence, including that Global Fund-supported health facilities provided much higher levels of COVID-19 testing services and onsite

⁷ Such as strengthening reporting and verification of co-financing data, codifying Sustainability, Transition and Co-Financing (STC) differentiation within a forthcoming updated Operational Policy Note (OPN), and a focus on drivers of programmatic sustainability.

diagnosis (as well as higher levels of personal protective equipment and infection prevention and control training) than other health facilities.⁸

With regard to the country case studies, the Secretariat notes there remain accuracy issues among some case studies, which may not be fully representative of the country context and situations described.

Unintended counter-productive incentives

The review provides examples of “unintended counter-productive incentives” that were highlighted in key informant interviews, while noting that these were not widespread, and that there is no quantitative evidence for them. The Secretariat notes that these examples reflect natural tensions that must be balanced when prioritizing scarce resources. Some of these topics were recognized in the 2023-2028 Strategy, which outlined areas of work in response that are being taken forward under GC7. The Secretariat will review the highlighted areas as part of its preparations for GC8.

The evaluation describes the 3-year funding cycle as a limitation to encouraging longer-term health systems investments. The Secretariat observes that the 3-year funding cycle has effectively balanced a variety of constraints, and its relatively rapid pace incentivizes strong planning, programmatic agility and use of the most impactful interventions with scarce donor resources to deliver measurable impact. Almost all programs supported by the Global Fund are intended to be in place over timelines longer than 3-years (not only systems strengthening activities) and the allocation-based funding model provides stability across cycles, therefore giving countries a reasonable degree of predictability. Programming of all Global Fund resources is guided by longer-term national strategic plans, normative guidance, Secretariat process and tools⁹ including KPIs, which are oriented to focus on long-term results achievement.

Monitoring & Evaluation (M&E)

The Secretariat welcomes SR2023’s conclusion that the M&E-related recommendations from 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 MEL. For example, it is noted that the identified gaps in M&E coverage for RSSH, human rights and gender equality have been addressed through the development of specific indicators within the Modular Framework. The Secretariat looks forward to utilizing this more integrated MEL framework, in which strategic monitoring, strategic and thematic evaluations complement each other.

Inherent tensions and trade-offs in the recommendations

Finally, the Secretariat notes that there are contradictions between different SR2023 recommendations and a lack of recognition of inherent tensions and implicit trade-offs, which are well recognized and have been considered and balanced in relevant decisions over the years. For example, the Secretariat agrees that program prioritization is critical in resource constrained environments, as embodied through different stages of the grant lifecycle¹⁰, but the evaluation did not identify specific areas for further prioritization. Likewise, the review recommends simplification of Global Fund operations and guidance,

⁸ COVID-19 Health Facility spot check Round 2 and Round 3 data (https://www.theglobalfund.org/media/13479/covid19_2023-07-10-board_update_en.pdf).

⁹ Such as M&E indicators that are designed to encourage monitoring of output/coverage and trends in impact/outcome over longer periods.

¹⁰ e.g., National Strategic Plans (NSPs) and funding request development based on normative technical guidance; Technical Review Panel (TRP) review of the funding request to ensure it is well prioritized and technically sound.

while concurrently suggesting that prescriptive and detailed guidance be given in a number of specific areas (e.g. to better differentiate co-financing requirements by country context; or in several areas to guide RSSH implementation) without outlining what exactly could be simplified. These contradictions highlight the inherent tensions in delivering the Global Fund's model in over 120 country contexts and a desire to do more and better on multiple topics yet simplify guidance and the application process. Nonetheless, the Secretariat agrees that concerted effort should be put into simplifying grant lifecycle documentation and guidance (without removing important nuances), and this will be holistically operationalized by the Secretariat in preparation for GC8.

Conclusions

The Secretariat appreciates the independent acknowledgement of the overall strong impact of the Global Fund partnership towards the achievement of the 2017-2022 Strategy, including by confirming that the Global Fund partnership exceeded its Strategy target of 29 million lives saved. It welcomes the helpful findings that the funding model is mature and has been strengthened and refined over the 2017-2022 Strategy period, with a strong suite of strategic levers that supported the delivery of the Strategy achievements. The evaluation confirms the KPI results and finds new quantitative evidence that grants performed better in countries where the Global Fund played a greater role within the donor landscape. These findings are encouraging as they provide evidence that overall, the Global Fund model is working well to deliver its Strategy and meet the needs of the communities it seeks to serve.

The recommendations are predominantly to continue to strengthen and optimize much of what the Secretariat is already actioning in GC7 under the 2023-2028 Strategy. There are areas in the evaluation that the Secretariat does not agree with, such as the conclusion that the "Global Fund has had limited impact on building RSSH", given the evaluation findings that the Global Fund contributed significantly to many of the Strategy's RSSH priority areas. The utility of some of the recommendations is limited by their non-specific nature and the lack of recognition of inherent tensions or implicit trade-offs.

At the same time, SR2023 raises helpful considerations for operational refinements, such as to further strengthen guidance on RSSH and sustainability, to optimize implementation arrangements for delivering RSSH-PPR interventions as well as Community-Led Organization (CLO)/Community-Based Organization (CBO) engagement in implementation, and to strengthen co-financing processes and data, which the Secretariat will continue to explore as part of the ongoing operationalization of GC7 and preparations for GC8. In this regard, the Secretariat will consider the SR2023 recommendations as part of a holistic assessment of all priorities and levers to ensure an optimized and simplified operational approach to maximizing the impact of Global Fund investments in a resource-constrained environment.

The Secretariat welcomes SR2023 as the first review conducted under the new independent evaluation function, thanks the ELO for their good collaboration and looks forward to collaborating on learnings to inform the refinement of future evaluation processes.

Annex 1: Secretariat Response to Recommendations

The SR2023 Evaluation has five high-level recommendations. For each recommendation the evaluators provided more specificity on the recommendations and have made recommendations on how to operationalize them. The full content is available in the evaluation report (GF/B51/10A).

Noting this is the first evaluation under the new independent evaluation and learning function, recommendations were not categorized as either ‘critical’ or ‘important’ – as such under the ‘type’, ‘not applicable’ has been selected. Future evaluations will classify recommendations as either ‘critical’ or ‘important’.

<p>Recommendation 1: Continue to encourage, and find ways to further foster the prioritisation of <i>new and intensified</i> disease interventions that reflect the evolving epidemics in countries</p> <ul style="list-style-type: none"> • <i>Continue to encourage country prioritisation of new and intensified disease interventions such as prevention, wider KP and vulnerable population engagement, private sector engagement, innovative commodities, etc. This is recognized as standard Global Fund practice, but the recommendation here is to help countries “step-up” this prioritisation, over and above that achieved to date.</i> • <i>Determine and implement suitable mechanisms to further foster the above prioritisation including, for example, through supporting the development of guidelines (e.g. normative through partners and operational through Global Fund information notes), providing relevant TA, improving data collection and use in support of intervention targeting, developing special initiatives (e.g. NextGen market shaping or other special purpose vehicles such as the CIs), strengthening relevant partnerships, providing greater engagement and “proactive influencing” by the Secretariat (as has been recognized as an important strategic lever to effect country prioritization in this review), etc. Again, it is recognized that many of these are what the Global Fund is already doing, and the recommendation is to be innovative and effective in these, to better encourage the needed prioritisation of investments to successfully fight the epidemics.</i> 					
Type	Not Applicable	Level of acceptance	Accepted	Responsible entity	Secretariat Technical Partners (for prioritization guidance)
Justification for ‘partially accepted’ and ‘not accepted’	Not applicable				
Description of intended change	<p>The Secretariat appreciates the evaluators’ acknowledgement of the concerted efforts that have been made to encourage adoption and prioritization of disease specific interventions, in line with country epidemiology, and support the programmatic introduction of new innovations. The Secretariat accepts this recommendation. The use of the terminology “new and intensified disease interventions” is not terminology used by the Global Fund or its partners and could be ambiguous and interpreted in different ways. Focus will continue to be on the most effective and impactful interventions that respond to country epidemiology and context, leveraging technical normative guidance. Prioritization of interventions also needs to consider value for money (VFM). A VFM Framework has been developed to provide guidance for applicants when developing funding requests, as well as through grant-making and implementation.</p> <p>The examples given by the evaluators of “new and intensified” are core program components. However, the areas that are funded through Global Fund grants, and to what scale, is country specific and is dependent on overall funding available for the disease</p>				

	<p>program (including domestic and other partner resources), guided by normative technical guidance, and reviewed by the TRP for appropriate prioritization and technical soundness, application focus requirements, etc. This recommendation needs to be tailored to the specific context as countries must make difficult trade-off decisions, which in a resource-constrained environment are even more challenging.</p> <p>The evaluators recommend that the Secretariat “determine and implement suitable mechanisms” to foster increased prioritization. The suggestions for operationalization are not new, as noted by the evaluators. For example, the Secretariat agrees that catalytic investments provide a unique opportunity to focus on a specific priority and introduce and/or scale-up epidemiological relevant interventions (e.g., finding missing TB cases, human-rights related barriers). However, the ability to use this as a mechanism to increase focus and/or prioritization in specific areas will be dependent on availability of funds. Scaling-up and introduction of new tools and technologies will continue to be a priority for the Secretariat and is an area where the Secretariat has demonstrated ability (e.g., introduction of shorter multidrug-resistant tuberculosis (MDR-TB) regimens in GC6, switch to Tenofovir Disoproxil Fumarate, Lamivudine and Dolutegravir (TLD) ARV regimens, scale-up of pre-exposure prophylaxis (PrEP), introduction of dual active ingredient insecticide-treated nets (dual AI ITNs)). The most suitable mechanism will be dependent on the type of tool or innovation and availability of funds.</p> <p>As part of preparations for GC8, the Secretariat will consider the specific suggestions to operationalize this recommendation and consider the availability of resources to implement them, including resources available for GC8 Catalytic Investment priorities. The Secretariat will continue to engage and strengthen partnerships and work with partners to identify Technical Assistance (TA) needs for countries, noting that grants can use funds for TA, but these need to be weighed against the overall funding available.</p>
<p>Activities or initiatives required to achieve the intended change</p>	<p>1. Review GC8 guidance – timeframe: 2024-2025</p> <p>The Secretariat will review its funding request documents and guidelines with a view of where to best incorporate more guidance regarding prioritization, including to accelerate the introduction of new tools (including new therapeutic tools) and technologies, noting that technical partner guidance should also provide guidance to countries on investment prioritization and use of new tools and technologies. GC8 guidance will also reflect lessons learnt from GC7 and TRP recommendations.</p> <p>2. Review GC8 catalytic investment priorities – timeframe: 2024-2025</p> <p>The Secretariat will review, in consultation with technical partners, how to best leverage this modality to incentivize specific interventions. The ability to use this modality to push specific interventions or areas of focus will depend on the overall sources of funds available for catalytic investments in GC8 and the prioritization of investment areas by the SC/Board.</p> <p>3. Technical partner guidance – timeframe: ongoing</p> <p>To facilitate country-level prioritization, technical partner guidance around prioritization, particularly within a resource-constrained environment, should be better articulated. As the entities responsible for setting normative guidance, they are well placed to provide guidance around prioritization or sequencing of interventions. As and when technical partner guidance around the adoption of new tools and technologies becomes available, the Secretariat will incorporate this into ongoing implementation and relevant GC8 guidance.</p>

	<p>4. Implementation - timeframe: ongoing</p> <p>To maximize impact and to enable countries to accelerate the delivery of their priorities and national targets more effectively, countries continue to have the flexibility to re-program Global Fund financed interventions or to add newly prioritized interventions. The Secretariat will continue to encourage adaptations to new evidence, updated technical recommendations and the more rapid uptake and scaling of new, more effective tools, health products and technologies. Efforts are also underway to further embed and operationalize the Global Fund's VFM framework. The Secretariat will continue to work with partners and countries to update national plans, conduct program and health system reviews to support decision-making on prioritization, on-going implementation and preparation for future funding request development.</p>
	<p>5. Community engagement and leadership</p> <p>To strengthen the responsiveness of Global Fund supported programs to community needs and priorities, the Secretariat will continue to facilitate greater recognition of communities most affected by the three diseases as legitimate actors with unique relevant technical expertise, skills and experience. Strengthening meaningful community engagement and leadership will continue as a priority throughout the Global Fund model and grant life cycle to ensure investments remain responsive to actual and changing needs of people and communities by: investments to support communities most affected by HTM to engage at country level; tracking and reiterating community engagement minimum expectations; and delivering KPI C1 and community-led thematic evaluations which are timed to inform GC8 related strategies.</p>

Recommendation 2: Continue to sharpen the Global Fund's approach to RSSH and take concrete actions to adapt the implementation of the funding model and partnerships to enable improved RSSH results

There are 3 parts to this recommendation on (1) RSSH approach; (2) funding model and its implementation for RSSH; and (3) RSSH-related TA

(1) RSSH approach: Build on the good work in the 2023-28 Strategy and GC7 to better define the Global Fund's RSSH approach on three key aspects:

- *Focusing of RSSH: Given limited funding and challenges with demonstrating and achieving RSSH results, reconsider whether the Global Fund should limit supported RSSH interventions/modules in GC8 to a few priority areas where the Global Fund has a comparative advantage and can focus its resources (e.g. HMIS, supply chain or others say in line with its PPR objective). At a minimum, require countries to focus rather than fragment their RSSH funding by requiring majority of RSSH funding in a few modules.*
- *Improved communication on RSSH: Given countries' long-standing lack of clarity on RSSH, make a concerted effort to push out to countries simple, clear, practical information on the Global Fund's updated RSSH approach. The Secretariat should also use its proactive influencing role to better advise countries on aligning their investments with the RSSH objective.*
- *Clarity on fit with PPR: Continue to specify how RSSH fits with the Global Fund's PPR objective, which is a recognized evolving objective in the 2023-28 Strategy. This is in relation to the wider nexus of RSSH-PPR at the Global Fund, beyond the use of unspent C19RM monies for RSSH objectives.*

(2) Funding model and its implementation in countries for RSSH investments: Take concrete actions to adapt the funding model and its implementation in countries for improved RSSH results. Some suggestions are included below, most of which are not new to the Global Fund, but the Global Fund should now consider the extent to which it mandates versus recommends countries to comply with these actions.

- *Recommend/require government departments that lead different health systems functions to be closely engaged in the CCM and country dialogue process in support of funding request development e.g. through expansion of CCM membership, holding pre-country dialogue meetings on RSSH priorities.*

- Recommend/require RSSH PR/SRs to be government departments that lead different health systems functions rather than HTM departments (subject of course to capacity and performance).
- Where countries have created program management units (PMUs) to coordinate investments in multiple RSSH activities, noting their value in supporting progress of the RSSH investments, support their capacity development.
- Recommend/require continuity of RSSH PR/SRs and activities across different grant cycles to enable a longer-term investment vision for RSSH (barring any obvious, major need to change).
- Introducing an RSSH allocation and standalone RSSH grants are more contentious adaptations that should be reviewed closely, drawing on lessons from past efforts and evaluating pros, cons and feasibility, and on a country by country basis.

(3) Expand TA partners for each key RSSH investment area to include new partners with specific expertise in these areas e.g. CHAI, CDC etc. and also ensure a predictable funding source for longer term TA. Expand working with local organisations in countries.

Type	Not Applicable	Level of acceptance	Partially Accepted	Responsible entity	Secretariat
Justification for 'partially accepted' and 'not accepted'	<p>The Secretariat is committed to consider all available levers to help improve the impact of RSSH-PPR investments and accepts the overarching recommendation “continue to sharpen” our approach to RSSH, and will look at the most impactful and rigorous ways to support this.</p> <p>The rationale for ‘partial acceptance’ of this recommendation is primarily driven by the ‘how’ the evaluators recommend this recommendation be operationalized. While the evaluators propose several specific suggestions (e.g., RSSH PR/SRs to be government departments, ensure predictable funding source for longer-term TA), the implementation of these recommendations requires careful consideration of trade-offs, country-context, differentiation, and cost-benefits. In addition, further differentiation is needed, for example to assess whether these recommendations hold for small, focused portfolios where the Global Fund is supporting very specific components of a national program and where its contribution to the overall program is minimal. The Secretariat notes that many of the suggestions have cost implications both on the Operating Expenses (OPEX) budget but also on grants (e.g., to support capacity development of Program Management Units (PMUs)).</p> <p>The evaluators make several suggestions regarding recommending or requiring certain actions (related to CCM and funding request development, implementation, and capacity development). The Secretariat is looking at a number of these through the CCM Evolution as well as C19RM implementation (e.g., which entities are best placed to deliver the specific interventions which may not be governments; TA deployment) and will consider lessons as part of preparations for GC8.</p> <p>With respect to the recommendation to increase the focus of RSSH-PPR investments, under GC7 these investments are articulated under 8 modules (e.g., Community Systems Strengthening, Health Financing Systems, Human Resources for Health, Health Product Management Systems), and at the country level the Secretariat is encouraging greater prioritization and focus in a smaller-subset of areas to achieve greater impact. The Secretariat does not fully accept the suggestion to “require” countries to focus the “majority of RSSH funding in a few modules”. While the Secretariat understands the rationale behind this recommendation, this requires further unpacking and a thorough assessment of the trade-offs of potentially implementing this recommendation. A further narrowing of Global Fund’s RSSH focus to a few areas would be challenging to implement uniformly in all countries, and does not fully consider the overall funding landscape and RSSH needs in a country. Operationalization would also have to be carefully balanced with the principle of country ownership and efforts to back strong country health systems plans.</p>				

	<p>This recommendation does not fully take into consideration that strengthening the maturity of health systems takes time and that the stage of system development and country capacity are context specific.</p> <p>While acknowledging that further clarity around RSSH and PPR is useful, the Secretariat notes the work done to clarify how RSSH fits with the overall ‘evolving PPR’ objective of the Strategy. The GC7 RSSH Information Note highlights the importance and the linkages between investments in systems for health that support integrated people-centered service delivery and preventing and preparing for future pandemics. At the 23rd SC meeting (GF/SC23/12) and 50th Board meeting (GF/B50/08), the Secretariat provided an update focused on RSSH-PPR, which outlined the six unique strengths of the Global Fund vis-à-vis RSSH-PPR – these include (i) ability to effectively work with diverse range of stakeholders to provide integrated people-centered services, (ii) ability to integrate HIV, TB and malaria investments that also build systems for health and PPR capacity, (iii) enhance broader system capacity by simultaneously reducing disease burden and investing in health system capabilities and infrastructure, (iv) strengthen countries’ key RSSH-PPR functions strategically and consistently through predictable & long-term (multi-cycle) funding (vs. ad-hoc or opportunistic support); (v) ability to combine market shaping with support to local manufacturing, strengthening of supply chain and service delivery systems and provide end-to-end support (vs. service delivery support only), and (vi) Partnerships with set-asides, HTM situation rooms, RSSH-PPR working groups, as well as regional institutions (e.g., Africa Centres for Disease Control and Prevention (Africa CDC), via Strategic Initiatives and Centrally-Managed Limited Investments (CMLIs)) (vs. isolated projects). As part of GC7, several steps were taken to clarify that PPR is an important component of RSSH (i.e., RSSH Information Note, Modular Framework, RSSH Gap Analysis). The Secretariat will continue to sharpen its approach to RSSH-PPR based on C19RM and GC7 implementation.</p>
<p>Description of intended change</p>	<p>As part of preparations for GC8, which includes updates to relevant guidance, policies and operational guidelines, the Secretariat will consider all available levers to improve the impact of RSSH-PPR investments, informed by the specific suggestions to operationalize this recommendation. Regarding a separate RSSH allocation, the Secretariat refers to the 2024 “Independent Evaluation of the Global Fund Resource Allocation Methodology”, which reviewed this issue and concluded that a fourth share for RSSH in the upfront disease split is not recommended. This matter will be further addressed as part of the work to review the Allocation Methodology ahead of GC8.</p> <p>It is anticipated that these activities will lead to greater clarity for all stakeholders on RSSH and result in more prioritized RSSH interventions.</p>
<p>Activities or initiatives required to achieve the intended change</p>	<p>1. Review GC8 guidance – timeframe: 2024-2025</p> <p>The Secretariat will review its funding request documents and guidelines to ensure that guidance and information on RSSH is clearly articulated, differentiated, and easily understood by all stakeholders, and that it builds on lessons learned from C19RM RSSH investments (for example, on requiring engagement of RSSH/PPR coordinating entities and institutions). With respect to updates to policies and specific operational guidance documents, the Secretariat will be undertaking a holistic review of these in advance of GC8 and will consider the recommendations the evaluators have made with respect to the operationalization of different aspects (e.g., requirements for RSSH/PPR entities within country dialogue and with CCMs, PR/SR implementing entities, partnership strengthening, TA possibilities) regarding investment prioritization.</p> <p>2. RSSH-PPR Investments – timeframe: 2024</p> <p>The Secretariat will engage with the Strategy Committee in July 2024 to discuss the nature of contributory RSSH-PPR investments, how they can be better tracked, and how these disease investments can further strengthen systems for health and countries’ pandemic preparedness and response capabilities.</p>

	<p>3. Implementation of RSSH-PPR investments – timeframe: ongoing</p> <p>The Secretariat will focus on a subset of priority countries to accelerate implementation of GC7 and COVID-19 RSSH-PPR investments through increased Secretariat support, more focused technical assistance (for example through the CMLIs and Strategic Initiatives) and optimized implementation arrangements for delivering RSSH-PPR interventions (noting this may be at sub-recipient (SR) or sub-sub-recipient (SSR) level rather than principal recipient (PR) level). Efforts will also focus on ensuring that relevant government departments and community implementers are fully engaged in CCM discussions, for example on monitoring, oversight, and planning for GC8.</p>
	<p>4. Technical Assistance (TA) – timeframe: ongoing</p> <p>As part of the GC6 and GC7 Strategic Initiatives and the C19RM CMLIs, there has been an expansion of TA partnerships (for example, Africa CDC, Africa Society for Laboratory Medicine (ASLM), Clinton Health Access Initiative (CHAI), Last Mile Health, Task Force for Global Health) to provide longer-term TA on key topics, including community health workers, surveillance, labs and supply chains. There is ongoing work to examine how the impact of this TA can inform a longer-term approach to TA to address systemic bottlenecks to RSSH-PPR implementation and enhanced engagement with the donor Core Group of set-asides in priority countries to ensure their TA is focused on key areas, effective and impactful.</p>

Recommendation 3: Continue to support the strategy’s gender equality (GE) and human rights (HR) objective, with a particular emphasis on GE given limited progress there; and take concrete actions to adapt the funding model and its operationalization as well as partnerships to improve delivery for GE and HR objectives overall

The following suggestions are provided with a particular emphasis on GE:

- *Put a concerted effort into operationalizing the twin-track approach to gender equality, including the formulation of clear GE objectives and an action plan to guide and monitor progress in this regard.*
- *Actions that might be considered for adoption as part of the GE mainstreaming track include the development of GE standards for inclusion in the Grant Regulations and the integration of gender into the HR Programme Essentials (PE) for each of the disease areas (acknowledging HR PE are new for GC7 thus potential modifications should be based on experiences with this and other new GC7 tools)*
- *In relation to the GE specific track, continue to support the identification of priority needs related to equitable access to HTM services for women, girls and gender-diverse communities, as well as the design, implementation and monitoring of evidence-based and effective programmes.*
- *Strengthen gender mainstreaming skills across the Secretariat and ensure that accountability and responsibility for driving the gender agenda are integrated across all relevant Secretariat functions.*

The following suggestions are provided with a particular emphasis on HR:

- *Support the mainstreaming of a HR-based approach in country programming to enable a broader reach (that is, in support of programming beyond priority (BdB) countries).*
- *Continue to support the identification of priority needs related to equitable access to HTM services for key and underserved populations, as well as the design, implementation and monitoring of targeted, evidence-based and effective programmes.*
- *Continue to leverage Cis, as far as available resources will allow, in support of the above programming.*

The following suggestions are provided with regards to improvements on the funding model and its operationalization as well as partnerships:

- Strengthen engagement with diverse KP representatives in pre-country dialogue convenings and post FR
- Review Global Fund financial, contracting and risk policies, operational guidelines and tools to allow for more community-led organisation implementation (differentiated by country and organisation)
- Strengthen relevant information notes and guidance – review and consolidate all guidance related to HR, GE and KPs, clearly define terminology and standardize use on HR, GE and KPs, provide practical guidelines to support priority programming

Enhance partnerships on HR and GE in TB and malaria (in addition to HIV) and on gender equality related programming (e.g., UNFPA’s Safeguard Young People programme, UN agency-led Spotlight Initiative, women’s rights organisations)

Type	Not Applicable	Level of acceptance	Partially Accepted	Responsible entity	Secretariat
Justification for ‘partially accepted’ and ‘not accepted’	The Secretariat agrees on the importance and the need to continue to advance gender equality (GE) and human rights (HR) and improve operationalization. The rationale for ‘partial acceptance’ of this recommendation is related to the recommendation to develop “an action plan to guide and monitor progress” for the twin-track approach to gender equality. The Secretariat does not agree that a specific action plan for would provide added value given implementation of a detailed operational plan is already underway. An additional action plan would divert attention and resources from the existing operational plan, which includes many of the action plan suggestions (e.g., strengthening mainstreaming skills across the Secretariat) and also includes a focus on GC8 preparations (i.e., consideration of GE standards in grant regulations, integration into program essentials) alongside lessons learned from Gender Equality Marker (GEM) which was introduced in GC7.				
Description of intended change	<p>The Secretariat commits to providing regular and timely updates to the Board on progress against the detailed operational plan to advance gender equality.</p> <p>With respect to the recommendation to support mainstreaming of an HR-based approach beyond the current cohort of Breaking Down Barrier (BDB) countries, while there is full support and desire to expand this approach, the BDB initiative has been supported by additional funds from catalytic investments and ability to scale-up will be dependent on overall availability of funds. Efforts are underway to ensure programs to reduce human rights-related barriers to HTM services are included in funding requests. Use of program essentials as leverage will be further considered in GC8 applicant guidance.</p> <p>The evaluators acknowledge the increased focus on GE and HR in the new Strategy and the activities, including internal reorganization (CRG-Ready) to better deliver the anticipated results that are outlined in the 2023-2028 KPI framework.</p> <p>KPI E1 baselines are established and will be used to guide progress in new and continuing BDB countries. In addition, CRG has compiled estimated HR investments in approved GC7 grants across the full HIV and TB portfolio as a complementary insight to this KPI. It is anticipated that GC8 will have increased focus on GE and HR and continue to provide clear guidance to all stakeholders.</p>				
Activities or initiatives required to achieve the intended change	<p>1. Review GC8 guidance – timeframe: 2024-2025</p> <p>The Secretariat will review its funding request documents and guidelines for GC8 and consider lessons learned from the implementation of the GEM and the use of the technical briefs on GE and removing HR-related barriers to HIV and TB in GC7 as part the development of the materials for the next cycle. Strengthened use of program essentials as levers of investment in HR and GE programs will be considered.</p> <p>As grant regulations have already been revised for GC7, the Secretariat will consider the recommendations as part of GC8 updates.</p>				

<p>2. Annual KPI Reporting – timeframe: on-going (reporting for indicators is either Spring or Fall)</p> <p>The 2023-2028 KPI framework includes five KPIs (E1, E2a, E2b, E3a, E3b) that will specifically look at how the partnership is doing on Maximizing Health Equity, Gender Equality and Human Rights, while KPI C1 will look at community engagement. These KPIs will provide the Global Fund insight on how the partnership is performing against its targets. KPI E3a will measure the satisfaction of women and gender-diverse communities with engagement across the grant cycle consistently at an acceptable level, and has a target of a minimum satisfaction score of 75%. KPI E3B, will look at the performance of gender-specific indicators, with a target of at least half of the gender indicators having performance of 90% or more within the defined cohort. KPI E1 will look at the scale up of programs to address Human Rights-related barriers.</p>
<p>3. Implement Gender Equality Fund – timeframe: 2024-2026</p> <p>As part of the GC7 Community Engagement SI, funding will be used to focus on strengthening women, girls and gender diverse community engagement in national gender equality dialogue, policy and planning processes with focus on integrating HTM-related interventions. Reporting will be provided through bi-annual updates to the SC on GC7 SI implementation.</p>
<p>4. CLO/CBO engagement in implementation, operational guidance review – timeframe: ongoing</p> <p>The Secretariat has been undertaking a review of operational policies and processes with a view to revising requirements to facilitate strengthened CLO/CBO engagement in implementation of Global Fund supported programs.</p> <p>A range of guidance documents, alongside internal policies and processes have been updated for GC7 to incorporate strengthened emphasis on the need to include CLOs/CBOs in implementation given their comparative advantage in key programmatic areas. These have included budgeting guidelines, PR guidance, grant approval and recommendation processes, TRP guidance, and risk metrics and mitigations.</p> <p>Alternative approaches to contracting below the PR level, including results-based funding models better suited for CLOs/CBOs, are still to be integrated, and related guidelines, policies and processes will then be updated.</p> <p>Facilitating CLO/CBO engagement and inclusion in implementation arrangements will remain a priority for the full Strategy period and inform preparation for GC8.</p>
<p>5. Community engagement and representation – timeframe: ongoing</p> <p>New measures intended to strengthen and better evaluate community engagement in Global Fund related processes were integrated into the roll-out of GC7. These included community engagement minimum expectations at key stages of the grant life cycle (from funding request development, through grant making, and over implementation), updated guidance, incorporation of a community and civil society priorities annex as a required document at the time of funding request submission and strengthened coordination and collaboration between the Secretariat and key partners on support. In addition, Secretariat-managed initiatives such as the Community Engagement (CE) Strategic Initiative (SI) are providing direct support to community led networks and organizations to develop and implement 'community engagement plans' across the portfolio. Assessment of these measures will continue over 2024 and, along with data from KPI C1 reporting and the findings of the planned independent thematic evaluation on community engagement, will be used to inform further actions/revisions for GC8.</p>

Recommendation 4: Strengthen the operationalization of sustainability considerations in the Global Fund model, including making more use of strategic levers like advocacy and innovative financing approaches to support greater domestic financing for health

- **Strengthen operationalization of sustainability considerations within the Global Fund model** – aspects include emphasizing stronger alignment with country systems in terms of continuing to emphasise working with country structures and processes or supporting their longer-term capacity development; developing mechanisms to support effective consideration of trade-offs between short-term results and long-term sustainability, and better managing unintended counter-productive incentives that may impede prioritisation of sustainability (e.g., by increasing emphasis on indicators of long-term progress such as the maturity models approach for RSSH under GC7 and more proactive consideration of sustainability pathways through the opportunity of CIs).
- **Strengthen key drivers of programmatic sustainability** – such as continuing to support a strong integration agenda, including working with non-health sectors where needed, considering appropriate HRH-related strategies, feasibility and modalities for social contracting, etc. Another key aspect is better clarifying the roles and responsibilities with regards to programmatic sustainability within the Global Fund Secretariat.
- **Address weaknesses in implementation of the co-financing aspects of the STC policy building on recent improvements made for GC7**– key aspects include:
 - Further improve processes for reporting and verification of co-financing data;
 - Improve visibility of requirements and results on co-financing especially at the country level (e.g., multiple rounds of reporting and engagement within the grant cycle, involvement of subject matter experts)
 - Improve enforcement in instances co-financing requirements are not met (clarify and communicate on process steps including waivers and exemptions, consider withholding funds within same cycle if appropriate)
 - Consider strengthening the use of programmatic commitments (e.g., link assessment of co-financing performance closer to achievements of agreed programmatic commitments and improve guidance and use)¹¹
 - Consider request for systematic commodity contribution (e.g., this can be linked to programmatic commitments by developing guidance that sets out expected commodity contributions (and growth thereof) differentiated by country contexts)
 - Alongside these changes, the Global Fund could consider updating the STC policy to increase the differentiation on requiring HTM funding to be additional across grant cycles which has previously led to unrealistic requirements in some country settings, or at the very least to codify the current adjustments made under GC7 in an updated Operational Policy Note (OPN)
- **Continue efforts to strengthen additional strategic levers** to bolster DFH tailored to specific country contexts, building on existing work (e.g., advocacy, different financing instruments such as blended financing and joint financing, strengthening of funding and technical partnerships with World Bank, WHO, Gavi and others, particularly at the country level).

Type	Not Applicable	Level of acceptance	Accepted	Responsible entity	Secretariat
Justification for 'partially accepted'	Not applicable				

¹¹ A more radical option would be to move away from assessing the performance of co-financing based on the overall domestic spending for HTM and instead focus on increasing overall health expenditure and on performance of using domestic expenditure for specific programmatic commitments (including specific requirements for commodity contributions and identified programmatic priorities etc.). Specific programmatic commitments / counterpart financing should increase over cycles and be differentiated by country groupings. Key potential positives of this approach include (i) simplification of the process and data requirements, (ii) more accurate verification, ease of understanding and enforcement, and (iii) reduction in country reporting burden especially in cases in which splitting budgets by HTM may not be appropriate for a UHC approach. Key negatives may be that this leads to fungibility of funding and no overall increase in expenditure (to counteract this the programmatic commitments would need to systematically increase over time). Trade-offs of this more radical approach would need to be carefully assessed and go beyond the scope of this review.

and ‘not accepted’	
Description of intended change	<p>The Secretariat appreciates the acknowledgement of the increased focus on sustainability and agrees that further efforts are needed to strengthen operationalization of sustainability considerations at country level. The Secretariat is already supporting a strong integration agenda and will continue to support countries as they address bottlenecks and systemic challenges to program sustainability.</p> <p>Many of the suggestions put forward by the evaluators are already underway and in progress and this is noted by the evaluators as many of the recommendations are to ‘continue’ or ‘further improve’. The 9 sub-recommendations under this recommendation and the suggestions to operationalize them are broadly accepted. The Secretariat notes that implementation of these recommendations will require greater differentiation across very different country contexts, as well as careful consideration of trade-offs. For example, the evaluators recommend that Global Fund considers requesting countries provide a “systematic commodity contribution” which is aligned with the STC policy which states “Applicants should be able to demonstrate that domestic funding is progressively absorbing costs of key program components such as human resources and procurement of essential drugs and commodities, programs that address human rights and gender related barriers and programs for key and vulnerable populations”. The Secretariat agrees with the need to continue to encourage progressive uptake of key commodities, which is essential to programmatic sustainability, however the approach to what countries fund from domestic finance will vary by context and needs careful consideration.</p> <p>Implementation of this recommendation is expected to result in increased focus on sustainability considerations, better visibility for all stakeholders on co-financing requirements and results, and improved use of data to inform decision-making.</p>
Activities or initiatives required to achieve the intended change	<p>1. Updating Co-financing Operational Policy Note (OPN) – timeframe: 2024</p> <p>The updating of the existing OPN on co-financing is in progress and will consider the suggestions articulated under sub-bullet 3 of the recommendation. The revised OPN will clarify the policy requirements and how they are applied, including how and when waivers may be used. A process for withholding of funds in cases of non-compliance is already articulated in the existing OPN on co-financing and the Secretariat will review this process as part of the development of the refreshed OPN. Interim guidance is in place that meets the requirements of GC7 grantmaking.</p> <p>2. Reviewing GC8 guidance – timeframe: 2024-2025</p> <p>The Secretariat will consider how to further strengthen guidance around sustainability considerations (e.g., STC, Value for Money, Core Information Notes, which include Program Essentials, maturity models) including around systems strengthening approaches for key RSSH areas and indicators to track to measure progress. Throughout GC7, the Secretariat intends to collaborate with partners including PEPFAR and UNAIDS to support better and more data-driven sustainability planning at country level, ideally working to ensure that this planning supports the funding request process.</p> <p>3. Sharpening the use of programmatic co-financing commitments to better target sustainability opportunities</p> <p>Linked to the development of an updated co-financing OPN, and the recommendation to strengthen the use of programmatic commitments, the Secretariat is using dialogue with countries connected to GC7 grant-making to improve the extent to which specific programmatic co-financing commitments are made – and then assessed during grant implementation - that will respond to the STC policy objective of absorbing the costs of key program components such as human resources, procurement of essential drugs and commodities, programs that address human rights and gender related barriers, and programs for key and vulnerable populations, and at the same time tackling key bottlenecks to sustainability.</p>

	<p>4. Annual KPI Reporting – timeframe: on-going (reported annually – spring)</p> <p>The 2023-2028 KPI framework includes a KPI (R1B) which is focused on tracking mitigation actions for countries at high or very high risk of not meeting their co-financing commitments. This will improve strategic visibility of actions taken by the Secretariat and countries to mitigate co-financing risk and will drive accountability at country level.</p>
	<p>5. Co-financing processes and data - ongoing</p> <p>The Secretariat has made significant progress in reviewing data quality and governance for co-financing, and has developed an interim data platform to support GC7 grantmaking and the data quality and accountability requirements of the first reporting of the new KPI R1A. The Secretariat is reviewing how to integrate routine collection of co-financing data into transactional systems that support the grant life cycle, that will improve data quality and data governance on co-financing and link it more accountably to existing processes. Linked to this, at country level, the Secretariat has been working to enhance the visibility of the Sustainability, Transition and Co-financing policy, and awareness of the data and reporting requirements.</p>
	<p>6. Joint/Blended Finance – ongoing</p> <p>The Board and Secretariat see joint and blended finance as promising ways to mobilize additional domestic resources behind the fight against the three diseases and leverage existing health system finance to better link to outcomes on HTM. In November 2023, the Board approved a Framework to Guide the Development, Review, Approval and Implementation of Blended Finance Transactions which will allow the Secretariat to scale-up these types of transactions in a more streamlined way, working with multilateral development banks in particular.</p>

Recommendation 5: Optimise the implementation of the Global Fund’s mature, generally well-functioning business model by (1) pushing for its simplification and (2) addressing the major unintended counter-productive incentives within it (whether perceived or real) reported by stakeholders

- **Carry out a concerted push for simplification of the Global Fund business model** (i.e. in terms of the range of policies, processes and requirements) to improve its accessibility for countries/stakeholders and reduce transaction costs. To this end, the Strategy Committee or Board as well as the Secretariat can take on different levels of responsibility. For example, the Board should request a robust review of the current situation (current complexity, its drivers / root causes, and its effects) that also provides concrete options for simplification for the Board to consider (including: key trade-offs to weigh in the push for simplification; specific options for simplification; their implications; and implementation considerations). The Secretariat should operationalise different measures to improve simplicity. This is indicative only and respective roles and responsibilities should be determined based on the Global Fund governance arrangements.
- **Identify and address the most problematic unintended counter-productive incentives within the implementation of the funding model (whether perceived or real) reported by stakeholders:** Determine the most frequent and/or detrimental unintended counter-productive incentives within the implementation of the funding model, their cause (including whether perceived or real) and effects, and take appropriate corrective action (which might range from improving communication in order to correct perception to removing real barriers)

Type	Not Applicable	Level of acceptance	Partially Accepted	Responsible entity	Secretariat
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<p>Justification for ‘partially accepted’ and ‘not accepted’</p>	<p><i>Simplification</i></p> <p>The Secretariat accepts that a concerted effort should be put into simplifying grant cycle documentation and guidance (without removing important nuances in guidance), which will be operationalized by the Secretariat in line with its mandate in preparation for GC8.</p> <p>With each new cycle, the Secretariat considers lessons learned from the previous cycle and discusses recommendations with Senior Management (i.e., GC7 lessons and recommendations for GC8 will be discussed by Senior Management in Q3 of 2024) which will inform the next cycle. Much of the increased complexity stems from increased granularity and/or introduction of new (and necessary) requirements (e.g., protection from sexual exploitation, abuse and harassment (PSEAH), Gender Equality Marker for all portfolios, Program Essentials, Community Annex, RSSH Annex, Sustainability documentation requests, Programmatic Gap Tables on CHWs, Health Facility Assessments to assess system readiness for CHWs etc.). Since GC5, funding request required documentation and processes have been differentiated (e.g., Program Continuation, Focused, NSP application modalities), and how to optimize differentiation will be considered as part of GC8 planning. The Secretariat will present to the relevant governance committees any changes that require their endorsement.</p> <p>The rationale for ‘partial acceptance’ of this recommendation is primarily driven by the ‘how’ the evaluators recommend this recommendation be operationalized. The suggestion that the Board should be heavily engaged in the approval or simplification of guidance documents is not consistent with its mandate per the Global Fund Bylaws and good governance principles. Rather, prior to the launch of each funding cycle, the Secretariat reviews existing guidance, templates, and requirements with a view towards simplification, clarity and coherence, in line with its delegated authority. The report does not provide specific examples of where simplification can occur, consider the purpose and aims of such guidance, nor acknowledges the trade-offs inherent to simplification of operations and guidance.</p> <p>The Secretariat notes that there are contradictions between this recommendation to simplify and other SR2023 recommendations that suggest that greater or more prescriptive guidance be given in a number of areas (e.g. to better differentiate co-financing requirements by country context; or in several areas to guide RSSH implementation). These contradictions highlight the inherent tensions in delivering the Global Fund’s model in over 120 country contexts and a desire to do more and better on multiple topics yet simplify guidance and the application process.</p> <p><i>Unintended counter-productive incentives</i></p> <p>The Secretariat notes that the provided examples of “unintended counter-productive incentives” reflect natural tensions that must be balanced when prioritizing scarce resources. The report notes that these observations were highlighted in key informant interviews and were not widespread, and that there is no quantitative evidence. Some of these topics were recognized in the 2023-2028 Strategy, which outlined areas of work in response that are being taken forward under GC7. The Secretariat notes that there are controls and balances in place to mitigate these challenges (e.g., TRP review of funding request prioritization, CCM endorsement, country team engagement, involvement of technical partners and communities in country dialogue processes). For example, their observation that the Prioritized Above Allocation Request (PAAR) “can include aspects that are viewed as a lower priority (e.g., RSSH) or those that have a high probability of being funded (given [portfolio optimization] is a competitive pot)” does not consider the significant controls in place to address this known issue. The TRP review process is a significant control point to ensure that interventions included in the allocation are the highest quality and prioritized. Interventions in the PAAR assessed by the TRP as high quality (and are subsequently deemed as unfunded quality demand (UQD)) may be funded as part of the final grant either based on TRP recommendation at the time of the funding request review, or from efficiencies found during grant-making or during implementation through reprogramming.</p>
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Description of intended change	<p>The Global Fund Secretariat is generally charged with the operationalization of Board policies and decisions. Designing the Global Fund grant life cycle processes and guidance requires making trade-offs to balance the need for simplicity and the need to deliver on the challenging objectives of the Global Fund strategy in the wide variety of contexts across the portfolio. Before each cycle, the Secretariat undertakes a thorough assessment of what is working well and what may need to change, talking with a broad range of stakeholders within and outside the Global Fund. The Secretariat anticipates that simplification / prioritization will require comfort that not all priorities can be accomplished everywhere. During this process, the Global Fund will assess opportunities for simplification and return to the Board and Committees where opportunities are identified that require engagement with governance bodies.</p>
Activities or initiatives required to achieve the intended change	<p>1. GC8 preparations – timeframe: 2024-2025</p> <p>The Secretariat will review its processes and procedures with the view of further simplification (including Funding Request and Grant-Making processes and requirements), including looking to where elements can be integrated and where tools such as AI and machine learning can be leveraged to further reduce workload. As part of this exercise, the Secretariat will review and address unintended counterproductive incentives (to the extent they are meaningful, and within the Secretariat’s sphere of control) at different stages within the grant lifecycle. Regarding simplification in particular, a lens will be taken to ensure critical guidance on differentiating according to country context, or other important areas of technical guidance are not lost. Overall, both areas of work will seek to ensure that the aims of the 2023-2028 Strategy are best incentivized through Global Fund guidance, tools and processes, but done in the simplest way possible.</p>