

Secretariat Management Response: Allocation Methodology Evaluation

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Board Information

Purpose of the paper: This paper provides the Secretariat Management Response to the independent evaluation of the Global Fund Allocation Methodology commissioned by the Evaluation and Learning Office (ELO). This document should be read in conjunction with the final evaluation report (GF/B51/11A) and the Independent Evaluation Panel (IEP) Commentary (GF/B51/11B).

Secretariat Management Response

Allocation Methodology Evaluation

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.

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 evaluation was commissioned by the Global Fund to provide an independent assessment of the Global Fund Allocation Methodology³ and process with the aim to inform changes (if any) for the next allocation period (grant cycle 8 (GC8)) to increase impact of Global Fund investments and more effectively deliver the Global Fund Strategy. 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 evaluation had the primary objectives to:

1. Assess and demonstrate whether there are alternative approaches to the current Global Fund Allocation Methodology that will result in greater impact of Global Fund investments and more effective delivery of the Global Fund Strategy.
2. Describe the pros, cons and implications of any alternative approaches compared to the current Allocation Methodology.
3. Assess how the cyclical review processes⁴ in place that leads to final high-level decisions on country allocations and catalytic investments can be improved.

The Secretariat broadly endorses the key findings and the high-level conclusions from the final evaluation report and partially agrees with the recommendations. The Secretariat welcomes the

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 allocates funding to countries to support HIV, TB and malaria programs and to build resilient and sustainable systems for health. These allocations are made every three years at the beginning of a new allocation period based on the Allocation Methodology. Allocations to individual countries are calculated using a formula that is predominantly based on each country's disease burden and economic capacity. They are refined to account for important contextual factors through a transparent and accountable qualitative adjustment process.

⁴ Every three years, in preparation for the next Grant Cycle, the Allocation Methodology is reviewed and updated as relevant based on the latest evidence and lessons learned. This is referred to as the "cyclical review process" in this Secretariat Management Response.

evaluation and expresses its appreciation for the strong collaboration with the ELO as well as the significant amount of work conducted by the evaluators in a short period of time. Annex 1 to this document provides the Secretariat's response to the recommendations, including level of acceptance and actions to be undertaken to address the recommendations.

Observations on the findings and conclusions of the evaluation

The Secretariat appreciates the acknowledgement by the independent evaluators that the reviewed aspects of the Allocation Methodology are working well, as well as the recognition of the "constant willingness to review, challenge, and improve the Methodology". Many of the evaluation's recommendations are to continue current approaches, which in our view signifies confidence in the Allocation Methodology. The review concludes that there are no recommendations for change regarding (1) the cyclical review process to update the Allocation Methodology prior to each allocation cycle, (2) the approach to determine the total envelope for catalytic investments, and (3) the qualitative adjustments process. On the Global Disease Split (GDS), the Secretariat agrees with the evaluation conclusion on the need to continue to have an upfront split in the allocation model. The evaluation concludes that creating a fourth share for Resilient and Sustainable Systems for Health (RSSH) in the upfront split of the Allocation Methodology is not recommended. Rather, the evaluation recommends dedicating a percentage of each country's allocation to RSSH, tailored to country context, and including more directive messaging in the allocation letters on the type of RSSH investments to be prioritized. The evaluators note that both these recommendations fall outside the scope of the Allocation Methodology. The Secretariat agrees with the evaluation's conclusion recommending against creating an "upfront fourth share dedicated to RSSH" and also agrees that all available levers should be explored so that the most appropriate measures are taken forward to increase RSSH impact. The Secretariat will consider the findings and recommendations as part of the cyclical review of the Allocation Methodology in preparation for GC8, including to inform consultations with technical partners, the Strategy Committee and Board.

Global Disease Split

In relation to the GDS, the Secretariat agrees with the recommendation to keep an upfront split in the Allocation Methodology. As noted in the report, due to the inherent differences between HIV, TB and malaria, there is no single burden measure that accurately reflects disease burden and the associated cost implications for all three diseases. The upfront split allows for the distribution of funding to countries based on bespoke burden indicators for each disease as recommended by technical partners.

The evaluation recommends that the GDS be revised in favor of TB to better align with the epidemiological context, based on the share of Disability-Adjusted Life Years (DALYs)⁵ and deaths. The Secretariat agrees with the need to increase funding for TB. For this reason, the Board decided to increase the split for TB in Grant Cycle 7 (GC7) if available funds for country allocations were above US\$ 12 billion⁶. There is no recommendation on whether the increased share for TB should come from HIV, malaria, or both, which limits the utility of the recommendations, as the actual challenge at stake is which disease(s) share should be reduced. While the report notes that the epidemiological and external financing context suggests a revised split in favor of malaria (as well as TB) and away from HIV, this is not reflected in the recommendations. In addition, the assessment lacks specificity as to

⁵ One DALY represents the loss of the equivalent of one year of full health. DALYs for a disease or health condition are the sum of the years of life lost to due to premature mortality (YLLs) and the years lived with a disability (YLDs) due to prevalent cases of the disease or health condition in a population. Source: WHO.

⁶ [GF/B46/DP04](#)

how the split should change and the associated implications. The Secretariat notes that the analyses to support this conclusion replicate some of the Secretariat analyses that were used to inform the split for GC7, and that any changes to the GDS should be informed by a comprehensive analysis of the context and needs of all three diseases. For example, TB deaths accounted for 47% of all deaths from HIV, TB and malaria in Global Fund eligible countries in 2022 (compared to 40% in 2000), while malaria deaths have overtaken HIV deaths in absolute numbers and shares across Global Fund eligible countries since 2020.⁷

While the Secretariat agrees that the epidemiological context is an important factor to consider when reviewing the GDS, other factors are also critical to consider, including the financing landscape, economic capacity, the cost of essential programming, previous funding levels, and the impact of investments. And while these factors are briefly mentioned in the report, the recommendations do not specify how these should be brought into the review of the GDS. In the Secretariat's view, whether a country can continue to provide lifesaving treatment and prevention services must be a central consideration in any changes to the Allocation Methodology.

The Secretariat agrees with the limitations noted in the report regarding DALYs. However, the Secretariat notes that, while DALYs are useful for monitoring global patterns across diseases, it is because of these limitations that DALYs are less suitable to be used directly for resource allocation. And while mortality is a more direct measure of disease burden, it does not comprehensively reflect burden for all three diseases and should therefore be considered as part of a range of relevant factors rather than applied directly.

To protect the continuity of services, the evaluation recommends gradually changing the GDS over multiple allocation cycles to ultimately bring the entire split closer to the distribution by disease burden. The Secretariat agrees that the continuity of services should be protected and that any changes to the GDS should therefore not apply to all funding levels. Regarding the recommendation to gradually change the split, the Secretariat will include explicit consideration of revising the disease split as a part of each allocation cycle review but notes that a revision cannot be guaranteed, given the multiple factors to consider and the changing contexts over time.

RSSH Allocation

In determining whether an RSSH allocation would improve the current approach to Global Fund investments, the evaluation concludes that creating a fourth share for RSSH in the upfront split is not recommended. While recognizing the need to strengthen RSSH investments, the Secretariat agrees that a formulaically derived RSSH allocation presents risks and challenges, many of which are identified in the report. The evaluation notes the risks of reinforcing a siloed approach to RSSH, as well as the fact that an RSSH allocation would reduce funding for HTM in flat and lower funding scenarios, which could threaten life-saving interventions. The report concludes that "there is no perfect set of metrics enabling the assessment of RSSH needs and allocating RSSH funding across countries", which the Secretariat agrees with. The Secretariat notes that any formulaic approach to allocate RSSH funding must be based on metrics that are robust, comparable, transparent, frequently updated, available for all countries, and relevant for the Global Fund's focus areas in RSSH. As noted in the report, the share of RSSH investments varies widely between countries, and the resulting RSSH allocations could be very different than under the current funding levels. Although the report states that the expected advantage of an RSSH allocation is to increase RSSH investments, the Secretariat notes that an

⁷ WHO and UNAIDS data. For these estimates, TB/HIV deaths are captured under HIV deaths.

allocation would not necessarily increase investments in RSSH for all countries, in fact RSSH investments may decrease for some countries, depending on the intent and the parameters applied.

The evaluation recommends dedicating a set percentage or percentage range of each country's allocation to RSSH, tailored to country context, with the percentage "calculated based on ad hoc qualitative analyses outside of the Allocation Methodology process." In addition, it is recommended that the allocation letters include the type of investments to be funded in each country "by level of priority". As these recommendations both focus on the allocation letters, the evaluators note that these are outside the scope of the Allocation Methodology. The Secretariat agrees that both options should be considered to improve the impact of RSSH investments in GC8.

The Secretariat is committed to consider all available levers to help improve the impact of RSSH investments, including through improved representation of RSSH stakeholders on CCMs and optimized implementation arrangements for delivering RSSH interventions, which may help increase country accountability for RSSH investments. Other efforts include a holistic review of RSSH guidance for GC8, more focused technical assistance (for example through Centrally-Managed Limited Investments (CMLIs) and Strategic Initiatives) as well as exploration of longer-term approaches to TA. Furthermore, building on the recommendations from this evaluation, the Secretariat will assess how allocation letters could be leveraged to help provide greater visibility on RSSH funding amounts and focus, including communicating previous and recommended RSSH funding levels as well as priority areas.

The report does not consider the potential limitations and risks that may arise with the recommended approaches regarding RSSH. For example, countries may have little incentive to increase funding from the minimum recommended share. On the other hand, setting the recommended percentage too high could inhibit the continuity of HIV, TB and malaria services and start off the country dialogue with unrealistic expectations. As noted in the report, the proportion of grant funds dedicated to direct RSSH has slightly increased in the past funding cycles and many countries invest a higher-than-average proportion in RSSH. This indicates that not all countries would benefit from a more prescriptive approach, which may in fact curb ambition. Providing a range rather than a set percentage may actually add complexity to program split discussions.

The impact of these recommendations on RSSH as well as HTM investments depends on a range of decisions not considered in the report. This includes the decision whether this percentage for RSSH should come from an equal percentage deduction of each disease allocation, or whether this should be done proportionally. The report does not indicate whether this percentage should be communicated as a requirement or a recommendation. Other related decisions include whether the percentage is for direct RSSH investments only, and how much program split flexibility countries will have to shift funds between RSSH and HIV, TB and malaria (HTM).

Noting the complexity of the issue and recommendation against adopting a fourth split for RSSH in the allocation methodology, the Secretariat will consider all additional levers to address the identified challenges to delivering impact on RSSH and propose options for discussion to the Strategy Committee and Board.

Technical Parameters

On the "potential consideration" to complement GNI per capita with a public revenue per capita, adjusted for public or publicly guaranteed (PPG) debt interests:

As the evaluation notes, “GNI per capita is the best primary indicator for country economic capacity.” The Secretariat recognizes that this indicator alone does not fully capture a government’s capacity to finance its health sector. For this reason, complementary indicators on fiscal capacity and macroeconomic context have been considered in the qualitative adjustments process since Grant Cycle 6 (GC6). For the GC7 qualitative adjustments, indicators on government revenue per capita and debt servicing were included as part of economic capacity and other Sustainability, Transition and Co-Financing (STC) considerations. An externally commissioned 2021 review on economic capacity in the Eligibility Policy and Allocation Methodology recommended considering government revenue per capita and other fiscal capacity indicators in the qualitative adjustments, rather than formulaically, in part because they require a more nuanced interpretation, e.g., for natural resource dependent economies. In terms of data availability, government revenue per capita data is available for a limited number of countries (as the evaluation notes) or would have to be constructed (as it is available more widely from the IMF in national currency). The evaluation’s proposal to collect the data from Country Coordinating Mechanisms (CCMs) is not only more challenging than the evaluation implies, it would also lack the necessary rigor and comparability for inclusion in the formula. Finally, the proposed two-stage approach – introducing these indicators in the qualitative adjustments for GC8 and then in the formula the following cycle – would not overcome the above limitations of including these indicators in the formula.

The Secretariat continues to acknowledge the importance of considering economic and fiscal capacity in the Allocation Methodology. As in the past two cycles, the Secretariat will review economic and fiscal capacity indicators in preparation for the GC8 qualitative adjustments factors and process, which will come to the Strategy Committee for decision in 2025.

On the “potential consideration” to include performance indicators:

The evaluation suggests adding a composite index on government effectiveness without providing adequate justification of what incremental benefit this performance indicator would bring to the Allocation Methodology. In addition, the analysis provided in the evaluation shows weak correlation between the performance indicator used (average Country Performance Rating from the World Bank’s IDA allocation formula) and the prevalence of the three diseases. Furthermore, this Country Performance Rating is based on a qualitative country policy and institutional assessment. The second performance indicator proposed – to capture government prioritization of health spending – is already factored in the determination of the co-financing incentive.

On the “potential consideration” to add a vulnerability indicator to the allocation methodology.

As with performance, the Secretariat recognizes the importance of accounting for vulnerability in the Allocation Methodology but would only add a vulnerability indicator to the Allocation Methodology - whether in the allocation formula or the qualitative adjustments – if there is a well-defined need and a clear incremental benefit. Several dimensions of vulnerability are already reflected in the outcome of the allocation methodology – for example, 71% of the GC7 allocations went to the 50 most climate vulnerable countries.⁸

The Secretariat will consider all relevant factors as part of the review of the Allocation Methodology for GC8, including performance and vulnerability. However, due to the limitations described above, the Secretariat does not agree with the evaluation’s recommendations related to the technical parameters.

⁸ GF/B50/09.

Cyclical Review process

Related to the cyclical review process, the Secretariat recognizes the finding that Strategy Committee and Board members raised the need for a more holistic view on the Allocation Methodology decision-making process. The Secretariat will consider this finding when consulting the Strategy Committee and Board in preparation for the GC8 Allocation Methodology process, while noting that certain decisions are required early to inform subsequent steps and related processes. For example, the GDS decision informs the design of the next steps of the Allocation Methodology.

Catalytic Investments

The evaluation concludes that there is no evidence to suggest that the approach for determining the total envelope for catalytic investments should be modified. The current approach, which determines the total amount for catalytic investments by funding scenario, effectively protects country allocations and ensures sufficient scale-up for countries with the highest disease burden. While the Secretariat agrees that it is important to consider the effectiveness of previous catalytic investments when determining priorities for the next cycle, as the evaluators note, the catalytic modalities (Strategic Initiatives, Matching Funds and Catalytic Multi Country) are very different in nature. Catalytic priorities may change between cycles to respond to the evolving context or a new Strategy. Therefore, the catalytic results from previous cycles cannot be aggregated to inform the total catalytic funding envelope.

Limitations

Overall, the Secretariat notes that many of the recommendations lack specificity about the associated trade-offs and their operationalization, as noted in the observations above. The Secretariat also observes a number of limitations related to the conducted analyses. For example, much of the analysis for the Global Disease Split replicates what the Secretariat did for the last global disease split review for GC7 (e.g. share of DALYs and deaths, disease funding by income), which led to the revised Global Disease Split for GC7. In addition, the CCM survey findings are presented by respondent rather than country. Although it is explained how this bias was taken into account at the start of the report, it is not discussed or reflected clearly when the survey results are used and presented in the findings. The report includes an overview of the allocation methodologies of Gavi, the Vaccine Alliance, the Global Financing Facility (GFF) and the World Bank's International Development Association (IDA), but lacks an assessment of how the lessons learned would be applicable to the Global Fund's operational context and how they could inform the Global Fund's Allocation Methodology.

Conclusions

The evaluation provides independent verification of the robustness of the Allocation Methodology and process and recommends keeping the aspects of the current model, including an upfront split in the allocation model, the split for catalytic investments, the qualitative adjustments process, as well as the cyclical review of the methodology. The report also provides a helpful independent external assessment of the benefits and challenges of introducing an upfront split for RSSH in the model and concludes that RSSH needs are best addressed through other levers outside the Allocation Methodology. The findings and recommendations will inform the cyclical review process of the Allocation Methodology for GC8, including consultations with technical partners and decisions by the Strategy Committee and Board.

Annex 1: Detailed Secretariat Response to Recommendations⁹

As regards keeping or not a GDS:

Recommendation 1: It is recommended to keep an upfront GDS as the second step of the allocation methodology to divide funding between the three diseases, as the evaluation found it brings more benefits than drawbacks. Its relevance and utility were confirmed to facilitate the strategic management of expectations from donors and better take account of global health landscape which has some disease-specific features. An alternative methodology with no GDS (Alternative 1) would threaten the continuity of services and decrease transparency for donors and countries. It would increase the complexity of the methodology, as it would require the definition of an alternative disease burden indicator uniting the three diseases under common metrics, which might lead to an implied GDS. Finally, alternative methods without a GDS would not guarantee the alignment of the methodology on its objectives to fight the three diseases and align on the highest disease burden, considering the shortcomings associated with the available indicators allowing comparison across the three diseases.

Type	Critical	Level of acceptance	Accepted	Responsible entity	Secretariat
Justification for 'partially accepted' and 'rejected'	Not applicable.				
Description of intended change	As the current Allocation Methodology already includes a GDS, no structural changes to the model are required to operationalize this recommendation.				
Activities or initiatives required to achieve the intended change	<p>Review of the Allocation Methodology for GC8 – timeframe: 2024</p> <p>As part of the cyclical review of the Allocation Methodology in advance of GC8, the Secretariat will propose to the Strategy Committee and Board to keep an upfront split as part of the Allocation Methodology.</p>				

As regards the approach for deciding on the GDS:

Recommendation 2: It is recommended to ensure decision made on the GDS for each allocation cycle is systematically informed by technical and scientific evidence on the relative needs of each disease. Although the final decision on GDS might not be aligned with the result of such analysis, it is recommended to ensure the Board is systematically provided with updated analyses on trends and that the GDS is updated to avoid any growing gap with the evolution of the epidemiological landscape.

Ideally, it is recommended the **technical and scientific evidence is provided by the Secretariat supported by external technical partners** which could be those involved in the determination of 2013 initial split (the Institute for Health Metrics and Evaluation (IHME), the Health Economics and HIV

⁹ As advised by ELO, this annex includes the Secretariat's responses to the recommendations that the evaluators consider "critical" and "important".

and AIDS Research Division University of KwaZulu-Natal, Durban (HEARD) and Imperial College). Alternatively, it is recommended to run, as a minimum, the approach proposed under alternative 3.

Type	Critical	Level of acceptance	Partially accepted	Responsible entity	Secretariat
Justification for 'partially accepted' and 'rejected'	The Secretariat agrees that any decisions related to the GDS should be informed by evidence and will continue to explicitly consider the latest evidence related to the GDS as part of each cyclical review of the Allocation Methodology. The Secretariat notes that the cyclical review of the Allocation Methodology is already systematically informed by technical and scientific evidence provided through extensive consultations with technical partners including WHO, UNAIDS, Stop TB and the Roll Back Malaria Partnership, which are provided to the Strategy Committee and Board, and will continue in future cycles. The Secretariat does not agree that the epidemiological landscape is the sole factor that should determine the disease split, noting other factors are also important to consider, including the financing landscape, economic capacity, the cost of essential programming, previous funding levels, and the impact of investments. Finally, DALYs will continue to be one piece of information to inform the review, however the Secretariat also does not agree with applying directly the share of DALYs proposed under Alternative 3, due to the methodological limitations of using DALYs for resource allocation.				
Description of intended change	Not applicable.				
Activities or initiatives required to achieve the intended change	<p>Review of the Allocation Methodology for GC8 and subsequent cycles – timeframe: 2024 for GC8</p> <p>As part of each cyclical review of the Allocation Methodology, the Secretariat will continue to explicitly consider the latest evidence related to the GDS. The Secretariat will present latest available relevant evidence related to the GDS to the Strategy Committee and Board in 2024 to consider as part of the decision making on the Allocation Methodology for GC8.</p>				

As regards the criteria used to decide on the GDS:

Recommendation 4: There is an urgent need to adjust the current GDS to better reflect the epidemiological situation and re-balance the distribution of funding across the 3 diseases to give more weight to TB. Indeed, WHO DALYs, IHME DALYs, WHO and IHME DALYs weighted by income and number of deaths all show that TB has a share of burden higher than 18%. Therefore, whatever the level of replenishment (higher or lower), re-balancing the distribution of funds would imply a proportionate redistribution of funds so as to reduce the gap between the share of funding allocated to each disease and the respective weight of each disease in the epidemiological landscape (what is suggested for TB could therefore apply to HIV or Malaria, depending on the epidemiological context).

Type:	Critical	Level of acceptance	Partially Accepted	Responsible entity	Secretariat
Justification for 'partially accepted' and 'rejected'	The Secretariat agrees with the need to increase funding for TB. For this reason, the Board decided to increase the split for TB in GC7 for available funds for country allocation above US\$ 12 billion. However, the Secretariat does not agree that any changes to the GDS should apply to all funding levels, as the continuity of services should be protected in lower funding scenarios. While the Secretariat agrees that the epidemiological context is an important factor to consider when reviewing the GDS, other factors are also important to consider, including the financing landscape, economic capacity, the cost of essential				

	programming, previous funding levels, and the impact of investments. The Secretariat also notes that any changes to the GDS should be informed by a comprehensive analysis of the context and needs of all three diseases. The evaluation does not include a recommendation on where the increased share for TB should come from, which limits its utility. While the report notes that the epidemiological and external financing context suggests a revised split in favor of malaria (as well as TB) and away from HIV, this is not reflected in the recommendations.
Description of intended change	The Secretariat will review all key considerations to propose to the Strategy Committee and Board a feasible rate of increase for TB (and possibly malaria, if necessary) in higher funding scenarios.
Activities or initiatives required to achieve the intended change	Review of the Allocation Methodology for GC8 – timeframe: 2024 As part of the cyclical review of the Allocation Methodology in advance of GC8, the Secretariat will review all key considerations to propose to the Strategy Committee and Board a feasible rate of increase for TB (and possibly malaria, if necessary) while protecting gains and continuity of services.

Recommendation 5: Ideally, the GDS shall be aligned with the scientific evidence on the relative needs of each disease and reflect as much as possible the result of a systematic approach similar as the one suggested under alternative 3. However, implementing such an approach cannot be envisaged in the short term as it would highly threaten the continuity of services in most countries and have a negative effect on lower-income countries. It is thus recommended **to revise the GDS incrementally over several allocation cycles to ensure it increasingly reflects the epidemiological landscape.**

In this context and also considering it is not realistic to expect that decision on GDS is not influenced by any political considerations, it is recommended to follow an approach similar to alternative 2 (and/or the one that was applied during the 2023-2025 allocation cycle with a revised threshold), with a particular attention to be paid to the need to ensure a stronger alignment of the GDS with the epidemiological landscape cycle after cycle.

Type	Critical	Level of acceptance	Rejected	Responsible entity	Secretariat
Justification for 'partially accepted' and 'rejected'	The Secretariat does not agree that the epidemiological landscape is the sole factor that should determine the disease split, noting other factors are also important to consider, including the financing landscape, economic capacity, the cost of essential programming, previous funding levels, and the impact of investments. A revision of the GDS cannot be guaranteed, considering the multiple factors to consider and changing contexts. Over the next allocation cycles, the Board will decide whether to make revisions to the GDS in due course, based on the review of relevant criteria.				
Description of intended change	Not applicable.				
Activities or initiatives required to achieve the intended change	Not applicable.				

Recommendation 6: It is recommended to define a certain percentage of country allocations to be dedicated to RSSH, communicated together with the indicative disease split, yet based on a country-by-country adaptation. To incentivize tailored RSSH investments at country level, such target percentages, together with qualitative recommendations, would be tailored to country contexts recommendations based on the historical data and qualitative considerations and should be systematically added to the allocation letters. This would address the need of compensating for the lack of advocacy in favor of RSSH in certain countries, especially within CCMs.

Instead of a single fixed percentage, it could be preferable to determine a **range of percentage**, with a baseline (indicative minimal percentage to be dedicated to RSSH investments) and a target (preferable percentage to be reached). The benchmark with the Global Financing Facility (GFF) has indeed underlined the numerous advantages of **determining a range rather than a point estimate** for each country. It maximizes the fund’s ability to be flexible, to incentivize financing from external and domestic resources and to respond to changing external circumstances.

The implication and directionality on the suggested percentage would be the following: countries with weaker health systems would be incentivized to dedicate a larger share to RSSH.

The determination of the range should be done for every country, based on a qualitative process including the following aspects:

- Country needs (health workforce, supply chain and health information)
- National priorities
- Historical levels and types of investments in RSSH
- Proportion of Global Fund financing invested in RSSH
- Other contextual factors

Such approach would ensure RSSH is prioritized at country level whilst ensuring that actual trade-offs decision between diseases and RSSH is taken at the right level.

Type	Important	Level of acceptance	Partially Accepted	Responsible entity	Secretariat
Justification for ‘partially accepted’ and ‘rejected’	<p>The Secretariat agrees with the evaluation’s conclusion recommending against creating an “upfront fourth share dedicated to RSSH” and also agrees that all available levers should be explored so that the most appropriate measures are taken forward to increase RSSH impact.</p> <p>The evaluation recommends including a range/percentage to be invested in RSSH in the allocation letters, and notes that this is outside the Allocation Methodology. The GC7 allocation letters included a recommendation (or expectation, in the case of RSSH priority countries) that countries maintain or increase RSSH investments. To leverage allocation letters for greater RSSH impact, in line with the recommendation, the Secretariat will further explore the process, benefits and limitations of communicating a percentage (or percentage range) of country allocations for RSSH, tailored to country context.</p>				
Description of intended change	Noting the complexity of the issue, the Secretariat will consider all levers to address the identified challenges.				
Activities or initiatives required to achieve the intended change	<p>Preparations for GC8, including the review of the Allocation Methodology – timeframe: 2024 - 2025</p> <p>Noting the complexity of the issue, the Secretariat will consider all levers to address the identified challenges and propose options for discussion at the Strategy Committee and Board.</p>				

Recommendation 7: Moreover, it is recommended to use, for every country, a more precise wording in the allocation letter to incentivize appropriately RSSH investments:

- Continue to give an overall judgment on the level of effort to be carried out: maintain / increase the financial effort dedicated to RSSH (in alignment to the range of percentage determined above)
- Include type of RSSH interventions to be implemented by level of priority and link to the three diseases. Whilst allocation letters for RSSH priority countries (for the 2023-2025 allocation period) already include suggested RSSH priority areas for investment based on country context, we suggest systematizing this approach and include bespoke suggested areas for RSSH for every country.

Type	Important	Level of acceptance	Partially Accepted	Responsible entity	Secretariat
Justification for 'partially accepted' and 'rejected'	The evaluation recommends more directive messaging in the allocation letters, which is outside the Allocation Methodology, and which builds on the approach taken in GC7 for RSSH priority countries, which outlined suggested priority areas for investment. All allocation letters included reference to the critical approaches for RSSH, which have been identified to ensure that RSSH interventions delivered by Global Fund-supported programs are set up to achieve maximum impact. Applicants were encouraged to consider these critical approaches when developing their funding requests. Regarding the level of effort, the Secretariat notes that the GC7 allocation letters included a recommendation (or expectation, in the case of RSSH priority countries) that countries maintain or increase RSSH investments. Overall, the Secretariat agrees that all available levers should be explored to increase RSSH impact.				
Description of intended change	Noting the complexity of the issue, the Secretariat will consider all levers to address the identified challenges.				
Activities or initiatives required to achieve the intended change	<p>Preparations for GC8, including the review of the Allocation Methodology – timeframe: 2024 - 2025</p> <p>Noting the complexity of the issue, the Secretariat will consider all levers to address the identified challenges and propose options for discussion at the Strategy Committee and Board, as relevant within their mandate. The Secretariat also refers to the Secretariat Management Response to SR2023, which outlines efforts to prioritize RSSH investments.</p>				