

39th Board Meeting

## End-2017 Key Performance Indicator Results

For Board Information

GF/B39/22





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# KPIs: To be or not to be, that is the question.

## ***Past KPIs were:***

- Poorly linked to daily business of GF
- Unclear about accountability for programmatic results
- Poorly understood by Board, Committees and staff
- Minimally used for performance management
- Almost entirely focused and used to meet Board reporting demands

## ***KPIs should be:***

- Directly related to programmatic performance
- Understandable and accountable across different outcomes
- Rigorously collected and analyzed
- Used across the GF from staff to the Board to evaluate and manage performance of our partnership

# KPIs: To be or not to be, that is the question.


**Vision:** A rigorous, timely, analyzed, auditable KPI data system used for performance management at the country and portfolio level, in place by the end of 2018.

The following first draft of an overhauled KPI structure is intended to:

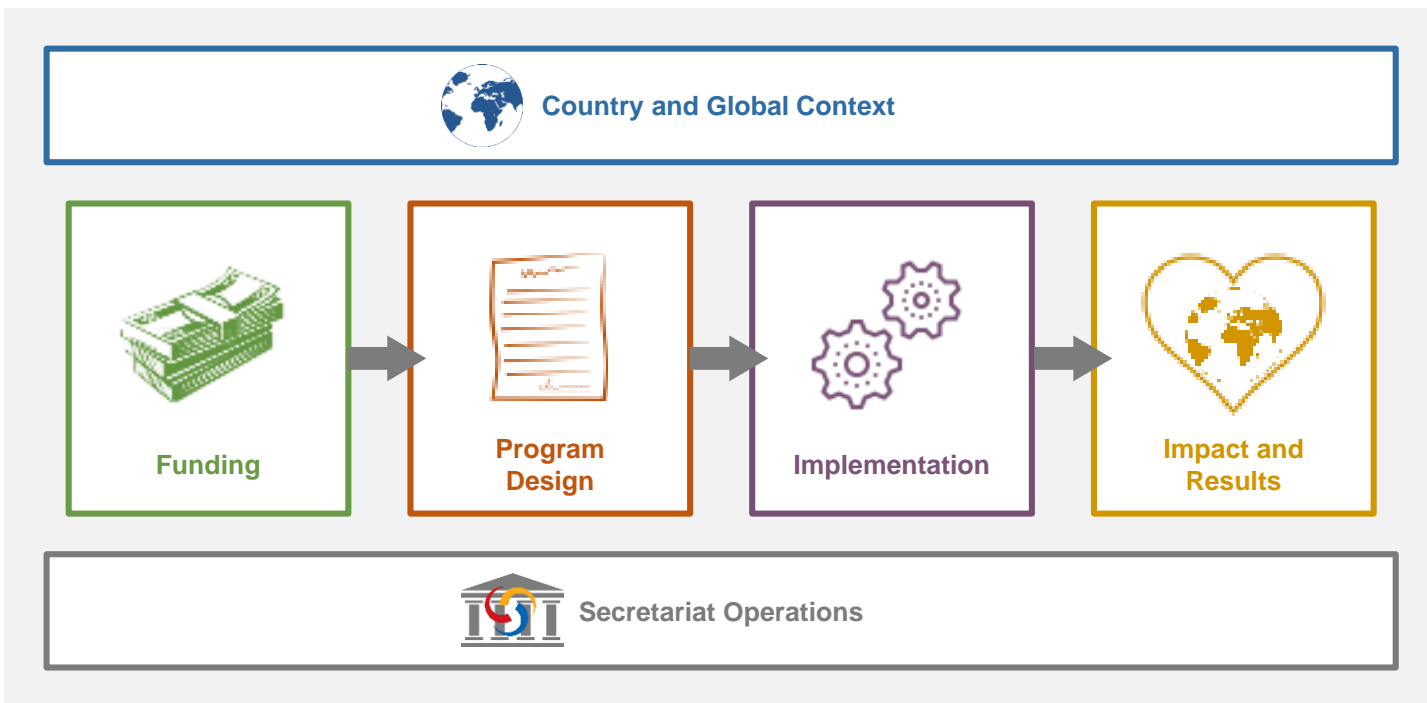
- Focus on Global Fund performance
- Be understandable and put KPIs into a global context
- Clarify accountability for different KPI outcomes
- Maintain previous commitments on reporting across Strategy objectives and thematic reporting

*Suggestions for improvements are welcome and will be considered as we continually evolve and use KPIs for performance management.*

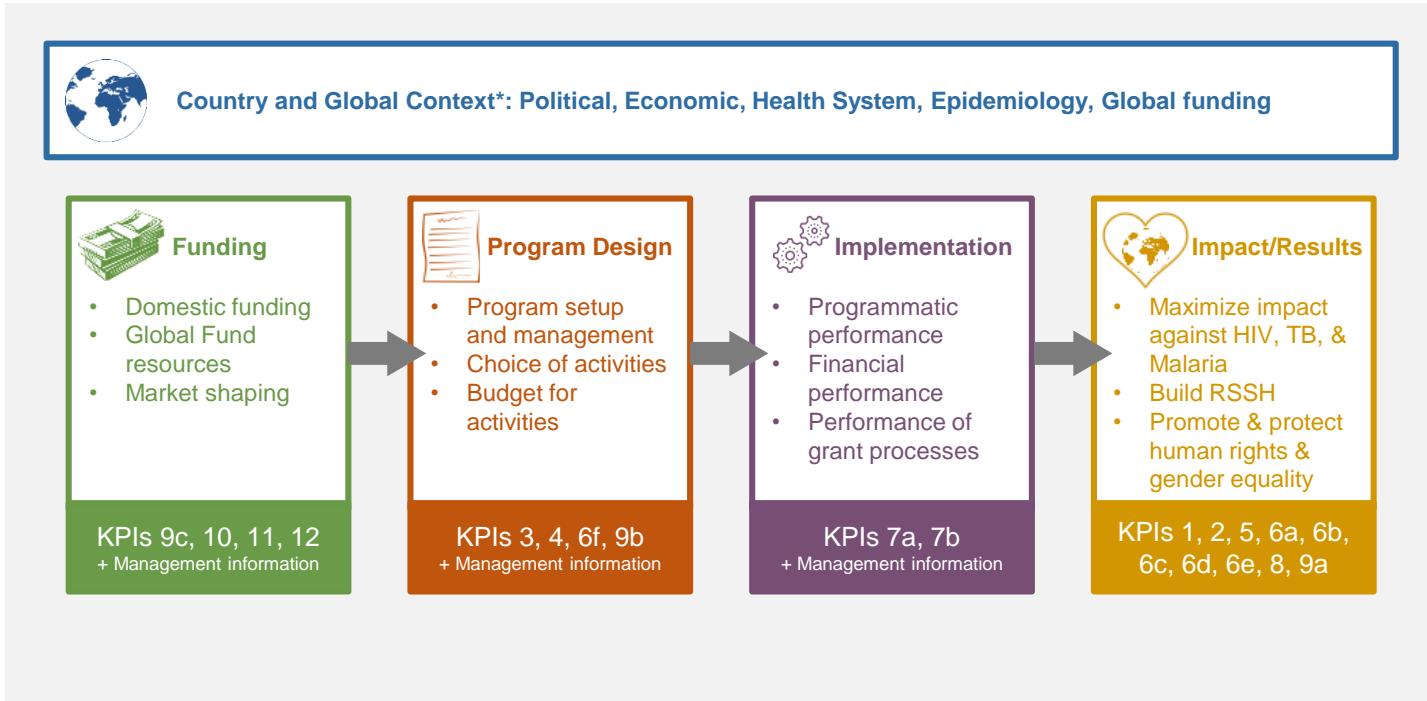
## Timeline

- 
- 2016: replenishment, allocation
  - 2017: most funding requests and grant making
  - 2018: further grant making, start of implementation, initial results
  - 2019: routine implementation, full results

# Performance Reporting Framework



# Performance Reporting Framework



*\* The Secretariat is now providing Country Results Profiles on the OBA portal as a summary overview of key contextual financing data and programmatic results for High Impact countries*

# Performance Reporting Framework Comprehensive of Strategy

■ Primary Linkage  
■ Secondary Linkage



## SO1: Maximize Impact against HIV, TB, Malaria

- 1a) Scale-up evidence-based interventions
- 1b) Evolve allocation model & processes
- 1c) Support grant implementation success
- 1d) Improve effectiveness in COEs
- 1e) Plan for sustainable responses & transitions

## SO2: Build resilient & sustainable systems for health

- 2a) Strengthen community responses & systems
- 2b) Support platforms for integrated service delivery
- 2c) Strengthen procurement/supply chain systems
- 2d) Leverage critical investments in HRH
- 2e) Strengthen data systems for health
- 2f) Strengthen and align to robust NSPs
- 2g) Strengthen financial mgmt. & oversight

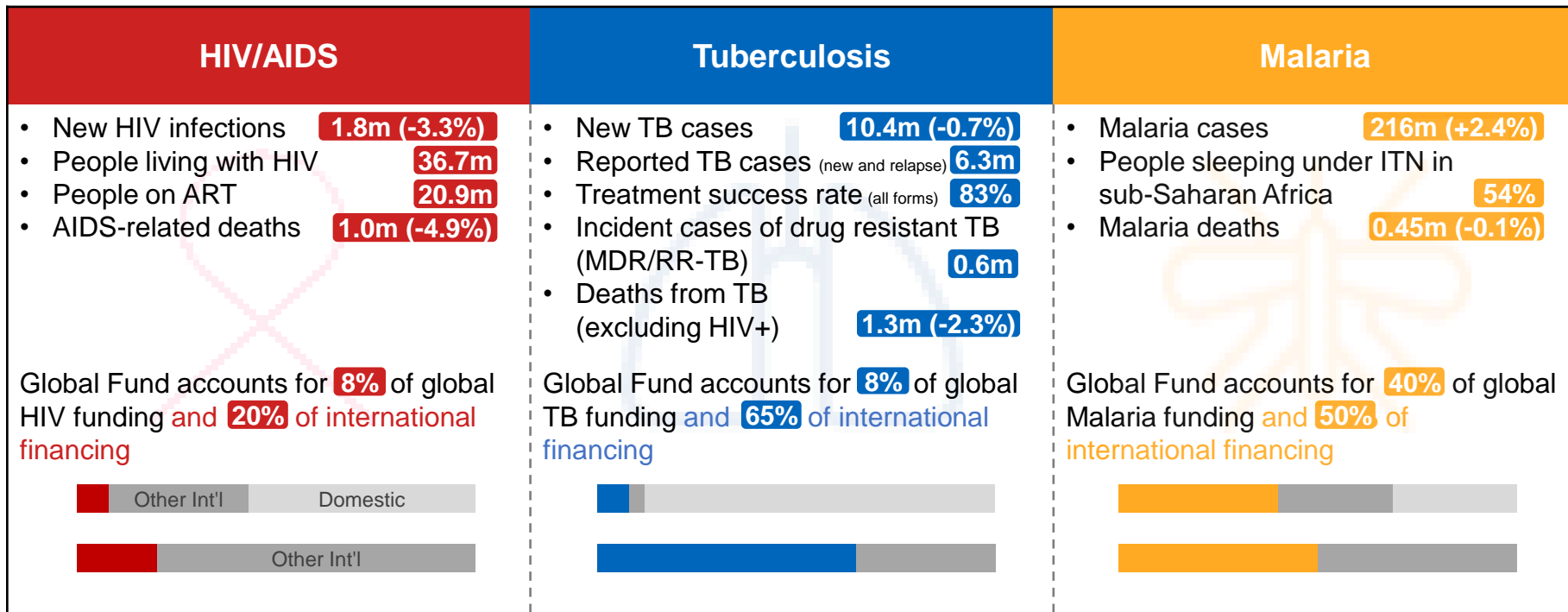
## SO3: Promote & protect HRts and gender equality

- 3a) Scale-up programs to support AGYW
- 3b) Invest to reduce health inequities
- 3c) Scale-up programs to remove HRts barriers
- 3d) Integrate HRts considerations into grant cycle
- 3e) Support engagement of KPs in GF processes

## SO4: Mobilize increased resources

- 4a) Attract additional financial resources
- 4b) Support increasing domestic resources
- 4c) Implement market shaping efforts
- 4d) Stimulate innovation of health technologies

# Setting the context – the global fight against the three diseases



*HIV data:* UNAIDS.org, new infections (2016), people living with HIV (2016), people on ART (July 2017), AIDS-related deaths (2016); *TB data:* Global TB Report 2017, new TB cases (2016); reported TB cases (new and relapse) (2016); treatment success rate (all forms) (2015); incident cases of MDR/RR-TB (2016); deaths from TB (2016); *Malaria data:* WHO.int/malaria, World Malaria Report 2017: malaria cases (2016), population at risk slept under an ITN in sub Saharan Africa (2016), malaria deaths (2016).

*Funding sources* [2016 data for HIV/Malaria, 2015 for TB]: OECD DAC-CRS; UNAIDS FactSheet World AIDS Day 2017, UNAIDS; Global Tuberculosis Report 2015, WHO; World Malaria Report 2017, WHO  
*GF share of international funding:* Global Fund 2017 Results Report

Figures are global and are not solely for countries where Global Fund resources are disbursed.



# Funding overview

## Domestic Funding

*Domestic investments in health, ability to realize co-financing commitments, and preparation for transition*

- **For the 2014-2016 allocation period, the actual domestic investment was 118% of the minimum policy prescribed co-financing, exceeding the minimum requirements across all income brackets** (KPI 11)
- Countries currently reporting increased domestic investment by **USD 2.3b** in 2015-2017 versus 2012-2014, and **94%** of eligible countries met/exceeded policy prescribed co-financing requirements
- All but one of the six UMICs assessed (out of 35 total) report on domestic investments in KP programs, while only three (**50%**) report on investments in human rights; lower performance likely driven by lack of policy levers to stimulate domestic investment (and reporting investments) in human rights (KPI 9c)

## Global Fund Resources

*Mobilization of resources, engagement of new donors, availability of funding, and harnessing of new financing models*

- So far, **USD 12.9b** has been pledged in this replenishment cycle (**99%** of the target) (KPI 10a)
- Out of this, **USD 850m (6.6%)** has been pledged by the Private Sector
- **The conversion rate of pledges to actual contributions is currently forecasted to be 100% of the initial forecasted amount** (KPI 10b)

## Market Shaping

*Availability and affordability of key medicines as well as supplier performance*

- **67%** of defined products have more than three suppliers that meet Quality Assurance requirements (KPI 12a)
- **USD 205m of savings** (KPI 12b) **were achieved in 2017 through pooled procurement mechanism (PPM), exceeding the annual savings target**
- **84%** of PPM orders were delivered on time and in full, exceeding the target
- **USD 3.8m** additional savings achieved in freight & logistics through PSA under management of the Secretariat (PPM)



Funding

# Program Design overview

## Program Setup and Management

*Quality and inclusiveness of program design, alignment to need, and link to National Strategy*

- **Alignment of investment & need has declined in most recent reporting period - there is a 0.51 total absolute difference between country share of need & share of grant expenses. Largely driven by the pattern of grant expenses related to transition between allocation periods** KPI 3
- Local community sector organizations (NGO, FBO, CBO) are principal recipients for **15%** of the currently active grants (with a slight increase for new allocation period)\*
- **96% of funding requests in this cycle were rated by the TRP to be aligned with National Strategic Plans** KPI 6f

## Choice of Activities

*Effectiveness, efficiency, support to the health system and to communities, rights, and gender*

- **7 of 8** KPI 2 output indicators have their aggregate grant target aligned to strategy projections; gap in remaining indicator is driven by one country
- Grants are increasingly commoditized: **95%** of the active grants purchase Health Products using GF funding (**47%** of the overall budget, **50%** for High Impact only)
- From the new allocation\*, **12%** of approved Malaria or TB programs contain activities to remove human rights and gender related barriers (new intervention for these disease components) and **90%** of approved HIV/AIDS programs contain prevention activities for key populations (similar % in previous cycle, when considering same countries)

*\* For Board approved grants, data as of mid Feb 2018*

## Budget for Activities

*Utilization of allocation, and funding to human rights, RSSH, community systems*

- For new allocation, **19%** of HIV grant budget in MICs is invested in activities targeting Key Populations and **2%** is invested in removing Human Rights barriers KPI 9b
- Share of budget going to RSSH modules within the new allocation\*:
  - **41%** is for data systems
  - **18%** is for PSM systems
  - **18%** is for HRH
  - **11%** is for Integrated Service Delivery
  - **5%** is for Community Responses
  - **4%** is for Fin. Mgmt. systems
  - **3%** is for National Health Strategies

*\* For Board approved grants, data as of mid Feb 2018*



**Design**

# Implementation overview



Implementation

## Programmatic Performance

*Performance of grant activities and implementers*

- Overall, **53%** of programmatic indicators in active grants reach their performance targets (90% achievement or more), with no significant difference by disease
- 78% of active grants are rated B1 (“adequate”) or better, representing 77% of total amount invested** (based on grants with a rating, using signed amt. for current implementation period)
- Performance improved for **29%** of the grants rated B2 or C in the previous reporting period, resulting in a B1 rating or better. Conversely, **2%** of the grants rated B1 or better in the previous period are now B2 or C

## Financial Performance

*Absorptive capacity of grants*

- 92% of the 4<sup>th</sup> replenishment allocation is forecasted to be disbursed\*** KPI 7a
- In **2014-2016**, **66%** of grant budgets have been reported as spent. There are patterns by region (West Africa lower), programmatic performance (B2/C-rated grants lower), COE (lower), and type of expenses (PSM lower) KPI 7b
- During the period, the Secretariat disbursed **75%** of grant budgets. Of disbursed funds, **88%** were spent in-country
- Absorption for **Health Products** is satisfactory with a **73%** rate
- RSSH** activities have an absorption rate of only **54%**, a significant under-absorption, observed for all activities (except HRH) and linked to region/country capacity

\* Allocation utilization is **89%** based on actuals only, as reported to the AFC

## Performance of Grant Processes

*Efficiency and robustness of grant processes (including forecasting and performance based funding)*

- In the new allocation cycle, **187** funding requests have been submitted, resulting in **203** Board-approved grants for a total of **USD 8.7 bn** (data as of mid Feb 2018)
- For the new allocation, it takes on average 7.3 months from funding request submission to Board approval**
- As of mid Feb 2018, there was a total **USD 2.5 bn** already committed as grant expenses for grants approved under the new allocation cycle, of which **USD 380m** have already been disbursed

# Impact and Results overview

## Maximize Impact against HIV, TB and Malaria

*Service delivery, coverage, and quality performance for the three diseases*

- Results on Impact, Service Delivery and the Service Coverage of Key Populations KPIs are **not yet available for new allocation cycle**
- For the **2014-16 allocation cycle**, some gaps in performance against grant targets were observed:
  - PMTCT and MDR-TB performed at roughly **75%** of grant targets (PMTCT underperformance driven by three countries, MDR-TB by two), although there was still significant scale-up for MDR-TB during this period
  - Service delivery performance for ARV, HTC, DOTS, LLINS, and IRS were at or near **90%** of grant targets, with **4 out of 5** indicators seeing increases in performance from the previous period

| 2016                         | 2017                             | 2018                     | 2019                  |
|------------------------------|----------------------------------|--------------------------|-----------------------|
| replenishment,<br>allocation | funding request,<br>grant-making | implementation<br>begins | first full<br>results |

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ARE  
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## Build Resilient & Sustainable Systems for Health

*Improvements in human resources, procurement, supply chain, data and financial management capabilities of health systems*

- On the day of visit, **64%** of health facilities have diagnostic services with tracer items and **89%**, **74%**, and **82%** of health facilities have HIV, TB, Malaria tracer medicines KPI 6b
- 5** countries (6, as of Feb 2018) out of 6 assessed have implemented actions to meet defined financial management systems standards for optimal absorption & portfolio management KPI 6c
- 11%** of countries have fully deployed, functional HMIS; 43% have two or three (out of four) components required to meet definition KPI 6d

## Promote and Protect Human Rights & Gender Equality

*Increases in coverage, support, and impact for key populations, human rights, and adolescent girls and young women*

- Results on human rights and gender/age equality are not yet available for the new strategy
- 26%** of the High Impact/Core countries are providing results fully disaggregated by age and gender for relevant indicators KPI 6e
- Significant progress has been made with Human Rights baseline assessments despite slight delays KPI 9a

# End-2017 Results



## Funding

- 9c KP and Human Rights in transition countries (p. 18)
- 10 Resource Mobilization (p. 19)
- 11 Domestic Investments (p. 16-17)
- 12a Availability of affordable health technologies: availability (p. 20)
- 12b Availability of affordable health technologies: affordability (p. 21-22)



## Program Design

- 3 Alignment of investment & need (p. 23)
- 4 Investment efficiency
- 6f Strengthen systems for health: NSP alignment (p. 24)
- 9b KP and Human Rights in middle income countries (p. 26-27)



## Implementation

- 7a Fund utilization: allocation utilization (p. 28)
- 7b Fund utilization: absorptive capacity (p. 29-30)



## Impact/Results

- 1 Performance against impact targets
- 2 Performance against service delivery targets
- 5 Service coverage for key populations
- 6 Strengthen systems for health
  - 6a Procurement
  - 6b Supply chains (p. 31)
  - 6c Financial mgmt. (p. 32-33)
  - 6d HMIS coverage (p. 34)
  - 6e Results disaggregation (p. 35)
- 8 Gender and age equality
- 9a Reduce Human Rights barriers to services (p. 36)

# End-2017 Results – Focus on underperforming KPIs



## Funding

### 9c KP and Human Rights in transition countries (p.18)

Result significantly below target. However, not enough data to draw firm conclusions. Most cohort countries do not yet have Board-approved grants.

### 12a Availability of affordable health technologies: availability (p.20)

Will take time to build QA supplier base for recently introduced products (TLD, ped. ARV); >3 suppliers may not be commercially feasible for low-volume products.



## Program Design

### 3 Alignment of investment & need (p. 23)

Deterioration of performance caused by technical issue (patterns of grant expenses due to transition to new allocation period). Not a concern over time.

### 9b KP and Human Rights in middle income countries (p.26-27)

Underperformance likely for Human Rights TB indicator, in particular. However, not enough data to draw firm conclusions. Most of cohort not yet assessed.



## Implementation

### 7b Fund utilization: absorptive capacity (p.29-30)

In 2014-2016, 75% of grant budgets were disbursed, 88% of disbursed funds were realized as in-country expenditures. Despite higher in-country expenditures in 2016, when compared to budget, 2016 absorption levels are lower than baseline.

Secretariat addressing absorption through internal process for portfolio review.

The Secretariat has effectively optimized unused funds in order to reach 92% utilization of 2014-2016 allocations (KPI 7a).



## Impact/Results

### 6d Strengthen systems for health (HMIS coverage) (p.34)

Significant progress required to meet 2019 target. However, aggregate measure hides high portion of countries which meet most of the requirements.

### 9a Reduce Human Rights barriers to services (p.36)

Slightly behind implementation schedule. However, significant progress made, with indications efforts are driving greater Human Rights investment.

# Conclusions



Funding

**On track** for Global Fund resource mobilization and for Domestic Financing

- Too early to assess for domestic investments in HRts / KP
- Performing well on **procurement savings**. Strengthening internal process for demand forecast can enable increased procurement savings
- Taking action to accelerate approval of suppliers for new products



Design

First indications of **new allocation cycle encouraging**

- New grants aligned to strategic projections and to NSP
- Support maintained to RSSH, Communities, Key Pops.
- Increased support to Human Rights (higher value of grant funds invested in removing human rights and gender-related barriers)

## Timeline

| 2016                         | 2017                             | 2018                     | 2019                  |
|------------------------------|----------------------------------|--------------------------|-----------------------|
| replenishment,<br>allocation | funding request,<br>grant-making | implementation<br>begins | first full<br>results |

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Implementation

Application/grant making process functioning **smoothly, efficiently for the new allocation cycle**

- Too early to assess performance for new grants
- For grants active between 2014 and 2016 (previous allocation), **no major changes in absorption of grant budgets** when compared to baseline. Secretariat addressing absorption through portfolio reviews



Results

**Too early to assess impact** in new strategy; good performance in previous cycle, except for PMTCT and MDR-TB

- However, concerns with global trends (increase of Malaria cases, missing TB cases, HIV epidemics in KP & AGYW); Secretariat to ensure right measures in place to react
- Initial results in RSSH and KP/Gender encouraging, except for HMIS (needs to be monitored considering it is 40% of the RSSH budget)

*Suggestions for improvements are welcome and will be considered as we continually evolve and use KPIs for performance management*

## Detailed KPI Results





Funding



Design



Implementation



Results

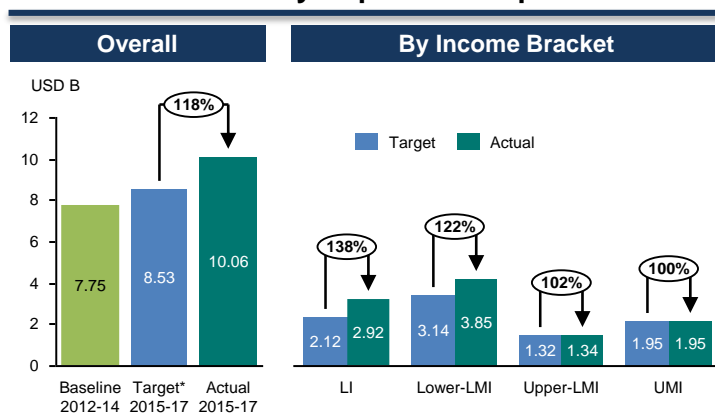
## Domestic Funding

● KPI 11 – Domestic investments (p. 1/2)

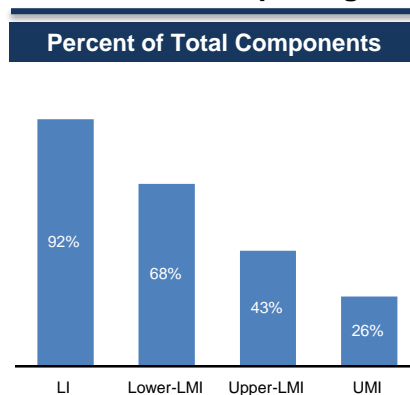
● KPI 9c – Key populations and Human Rights in transition countries

| Measure                                                                                                                      | End-2017 Result                                                            | Key takeaways                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Percentage of domestic co-financing commitments to programs supported by the Global Fund realized as government expenditures | <b>118% *</b>                                                              | <ul style="list-style-type: none"> <li>Cohort for current reporting:               <ul style="list-style-type: none"> <li>165 components for 68 countries (of this, 4 countries had exemption/waiver)</li> <li>Data available for 92% of components from LI countries, with the share progressively declining in higher income groups</li> </ul> </li> <li>Co-financing investment <b>exceeded policy stipulated levels overall and in all income brackets</b> <ul style="list-style-type: none"> <li>LI and Lower-LMI countries saw <b>higher rates of co-financing investment</b> over policy prescribed levels</li> <li>Upper-LMI and UMI countries saw <b>rates of co-financing at or near policy prescribed levels</b> (however, due to small sample, current reporting may not be representative of total commitment)</li> </ul> </li> <li><b>60 of 64 countries (94%) met or exceeded</b> policy stipulated levels</li> <li><b>Additional investment of USD 2.3b</b> in 2015-17 versus 2012-14 (<b>30% increase</b>)</li> </ul> |
|                                                                                                                              | <b>Target</b><br>100% of 2014-2016 policy stipulated requirements realized |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

## Results vs. Policy Stipulated Requirements



## Cohort for Reporting





Funding



Design



Implementation

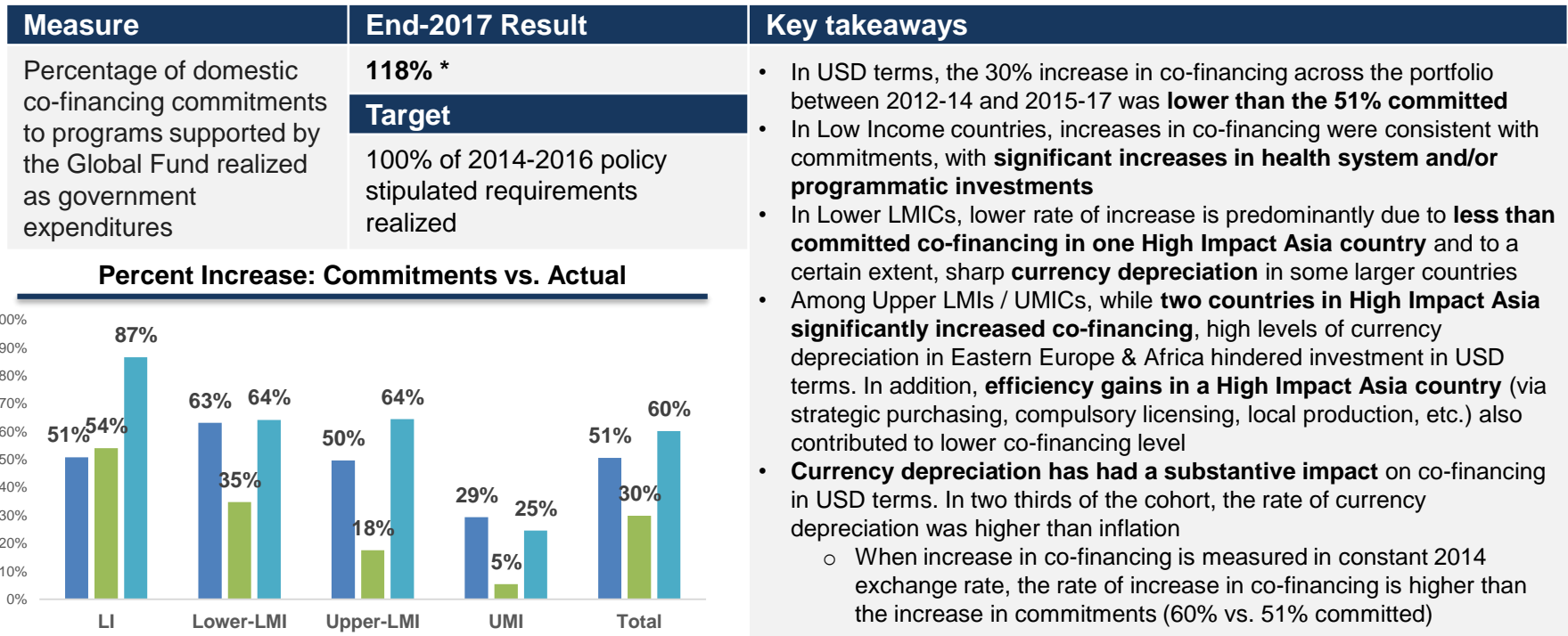


Results

## Domestic Funding

● KPI 11 – Domestic investments (p. 2/2)

● KPI 9c – Key populations and Human Rights in transition countries





Funding



Design



Implementation

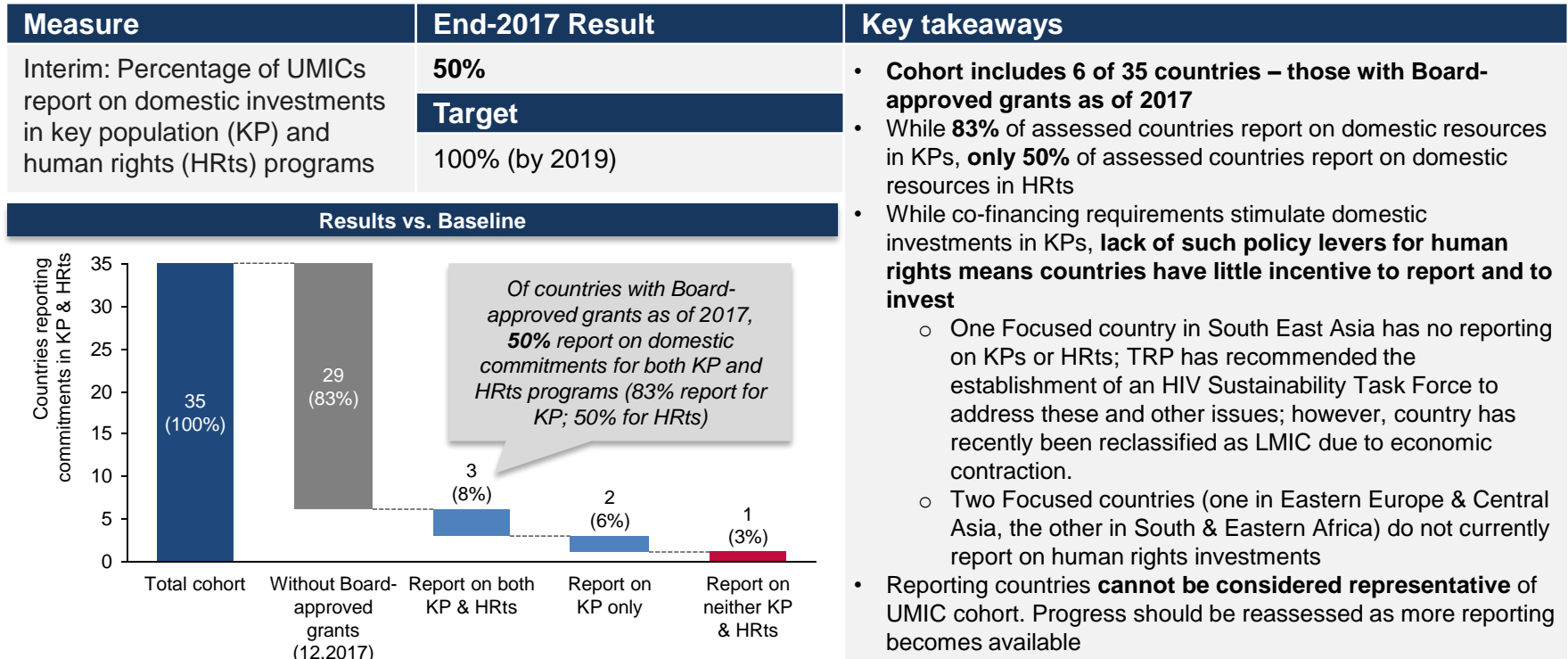


Results

## Domestic Funding

● KPI 11 – Domestic investments

● KPI 9c – Key populations and Human Rights in transition countries





Funding



Design



Implementation



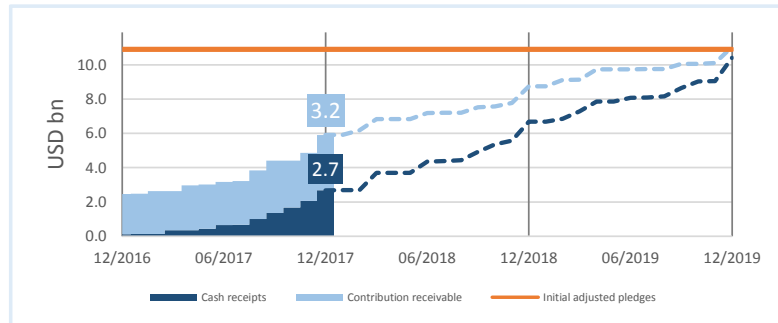
Results

## Global Fund Resources

## ● KPI 10 – Resource mobilization

| Measure                                                                                              | End-2017 Result                                                                                                | Key takeaways                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) Actual announced pledges as a percentage of the replenishment target                              | a) 99% (USD 12.9 bn)<br>b) 100% (forecasted contributions of USD 10.9 bn)                                      | <ul style="list-style-type: none"> <li>On track</li> <li>There has been no major announced pledge since replenishment</li> <li>Since the baseline was established based on initial sources of funds approved by the AFC in October 2016, there have been no changes in pledges forecasted to be received. To date, USD 2.7 bn has been received, USD 3.2 bn is outstanding as contribution receivable, with another USD 5.0 bn outstanding adjusted pledge</li> </ul> |
| b) Pledge conversion rate: Currently forecasted contributions vs. initially forecasted contributions | <b>Target</b><br>a) 2017-2019: 100% (USD 13 bn)<br>b) 2017-2019: 100% (USD 10.9 bn, approved sources of funds) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

Planned transformation of adjusted pledges



## Notes:

a) All data at the 5h replenishment conference rate (5-year simple moving average as of 5<sup>th</sup> replenishment conference).

b) All data at the spot rate as of 22 September. Current performance is defined as cash received, contributions receivables plus outstanding pledges adjusted for technical assistance and risk adjustment.



Funding



Design



Implementation



Results

## Market shaping

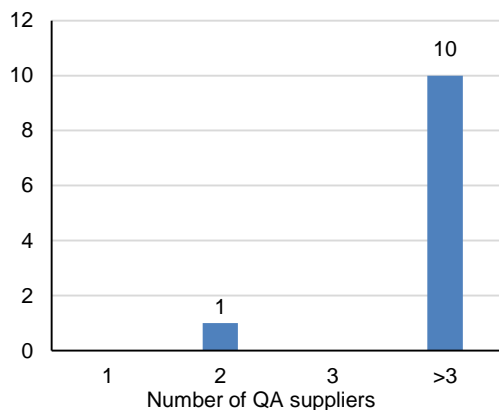
● KPI 12a – Availability of health technologies

● KPI 12b – Affordability of health technologies

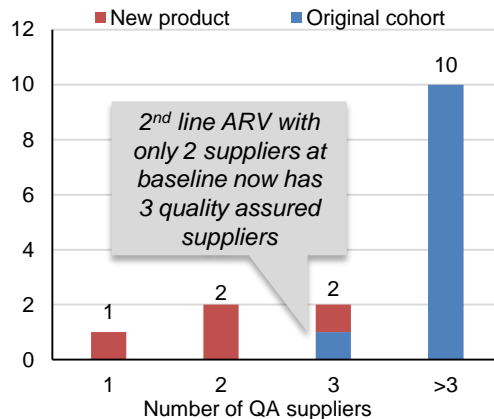
● PPM OTIF delivery

| Measure                                                                                                          | End-2017 Result                                                  | Key takeaways                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Percentage of a defined set of products with more than three suppliers that meet Quality Assurance* requirements | <b>67% (10/15 products)</b><br><b>Target</b><br>100% (2017-2019) | <ul style="list-style-type: none"> <li>Based on mainstream WHO 1<sup>st</sup> &amp; 2<sup>nd</sup> line ARVs, ACTs, and LLINs considered critical for program need (based on volume)</li> <li>Four additional products met this criteria and were added to cohort since baseline, all of which have three or fewer suppliers</li> <li>The new products include 3 pediatric 1<sup>st</sup> line ARVs, and the new dolutegravir-containing first-line ART regimen (TLD)</li> <li>A special expert review panel (ERP) is planned in February 2018 to bring forward the approval of suppliers of TLD and the pediatric 1<sup>st</sup> line with currently only one supplier</li> <li>Due to the low volumes of the pediatric ARVs, more than 3 suppliers may not be feasible; a reasonable consideration given the need to balance supply security with commercial viability</li> <li>2<sup>nd</sup> line ARV with only 2 suppliers at baseline now has 3 quality assured suppliers</li> </ul> |

Baseline (Q2 2016)



Results (End-2017)



\* Based on Global Fund Quality Assurance Policy



Funding



Design



Implementation



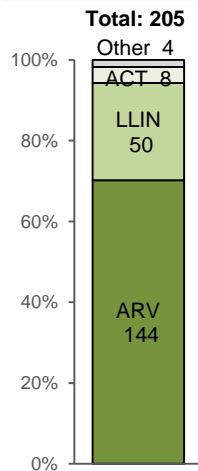
Results

## Market shaping

- KPI 12a – Availability of health technologies
- KPI 12b – Affordability of health technologies (p. 1/2)
- PPM OTIF delivery

| Measure                                                                                                                    | End-2017 Result                                                                                                                                 | Key takeaways                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual savings achieved through PPM* on a defined set of key products (mature and new)                                     | <b>USD 205m</b>                                                                                                                                 | <ul style="list-style-type: none"> <li>Exceeded the annual saving target</li> <li>USD 205m in savings driven by ARVs (144m) and LLINs (50m)</li> </ul> |
| <p>* Savings achieved via product price reductions; PSA fees; freight /logistics costs; Excludes QA/QC and Other costs</p> | <b>Target</b><br><br>2017: USD 135 million savings<br>[on equivalent commodities at equivalent quality and volume, and equivalent PSA services] |                                                                                                                                                        |

## 2017 Savings



- **Competitive tender cycles:** 2017 savings driven by the first ARV tender in 2014 (144m savings in 2017), and the second bednet tender in 2015 (50m savings in 2017). Cost of the WHO-recommended first line ARV regimen has fallen from USD 129 per person per year to USD 75 at the end of 2017, which translates into the ability to provide treatment for an **additional 0.5m people over 3 years**. The savings for bednets translates into the equivalent of an **additional 23m bednets**.
- **Performance-based management of suppliers:** Significant effort is invested in Supplier Relationship Management. Ongoing dialogue and formal quarterly reviews of performance has enabled the Secretariat to realize savings in implementation while managing OTIF and external supply risks for products under Framework Agreements.
- **Improved visibility of demand:** Efforts within the Global Fund have started to deliver results, particularly for ACTs. Better demand visibility has enabled savings opportunities to be seized, while in 2016 some were lost due to unforeseen and emergency demand. There has however been an increase in the utilization of the Rapid Supply Mechanism (with some PRs being repeat users). Ability to place advance orders is constrained by country-customized labelling requests.
- **PSA management:** More focused management of PSAs has improved efficiencies and performance. Effective year-on-year negotiations have yielded reductions in procurement fees charged to the grants with the fees for pharmaceuticals decreasing from 4.5% to 2.5% and for bednets from 3% to 1.5% over the period 2011-2017.



Funding



Design



Implementation



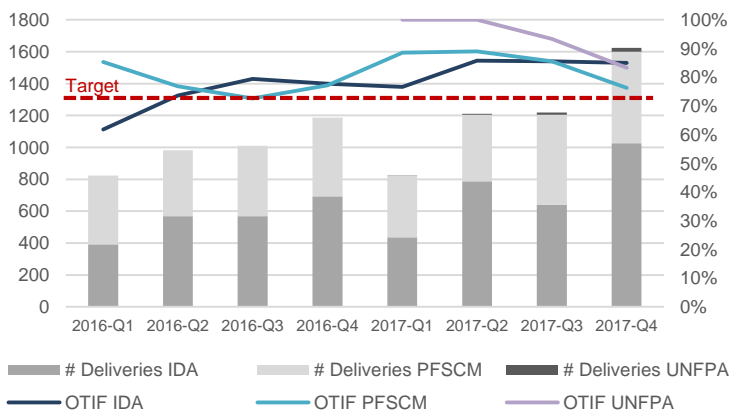
Results

### Market shaping

- KPI 12a – Availability of health technologies
- KPI 12b – Affordability of health technologies (p. 2/2)
- PPM OTIF delivery

**Savings balanced with strong supplier performance:**  
**84% of PPM orders delivered on time in 2017**

On-time in full delivery (OTIF) & Volume by Procurement Service Agent



**Volume allocations adjustments:** During the implementation period of a tender, supplier savings and OTIF performance is actively monitored and used to adjust tender volume allocations, rewarding the combination of low prices and reliable delivery and mitigating supply risks throughout the contract period

NOTE: Calculated by shipments delivered on time rather than weight. Includes core and non-core products. On Time defined as due date + 14 days. Q3 2016 result for IDA has been revised from 80% to 79% due to a data correction.

### USD 3.8m additional savings in freight & logistics achieved through PFSCM

- PFSCM reports **\$3.8m freight savings** (13%) in 2017 vs. 2016
- Savings are attributed to its long term agreements with multiple freight forwarders, which leverages competition, and better planning and use of ocean freight (80% ocean, 2% ground, for ARV, ANTM, RDT & IRS)
- Reasons for the 18% air shipment are being monitored: 46% are due to PR ordering patterns and late orders (within 2-months); 22% due to small size shipments that are *more* cost effective by air; 21% is due to other delays (e.g. obtaining tax waiver in emergency situations etc.)
- IDA is currently excluded from freight savings analysis as 73% of their volumes are bed nets which are all sea freighted; and the 3-yr bed-net cycle and spot tender approach based on a wide range of delivery destinations makes the total freight cost difficult to compare
- Freight & logistics account for 9% of projected 2018 PPM spend, health products account for 88%. Freight & logistics savings target will be embedded in the KPI 12b procurement savings target from 2018 onward
- Future Freight & Logistic strategy will be incorporated into the overall PSA strategy which will be launched in 2018, with full implementation 2019 onward

Data source: PFSCM: 2017 PFSCM freight data, Jan - Oct 2017 based on completed actual invoices; IDA: 2017 IDA freight data, as of January 2018; UNFPA: 2017 UNFPA Freight data, as of January 2018



Funding



Design



Implementation



Results

## Program setup

● KPI 3 – Alignment of investment &amp; need

● KPI 6f – NSP alignment

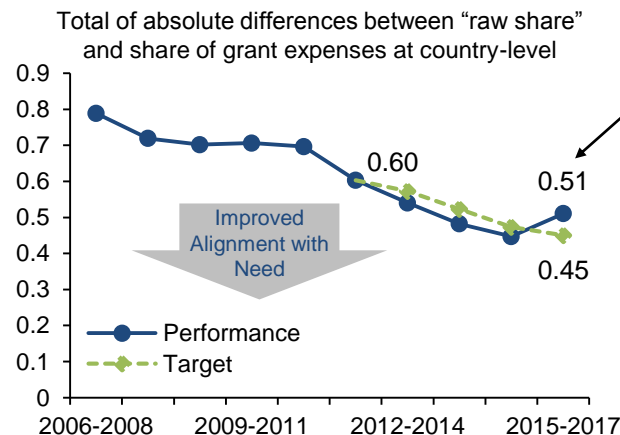
| Measure                                                                                                                                                          | End-2017 Result                                                  | Key takeaways                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alignment between investment decisions and country disease burden & economic capacity, as defined by the country's "raw share" in the 2014-2016 allocation model | <b>0.51</b><br><b>Target</b><br>2017: Less than or equal to 0.45 | <ul style="list-style-type: none"> <li>Significant underperformance in 2017 driven by pattern of grant expenses related to transition between allocation periods and the processing of new grant expenses for grants starting in 2018</li> <li>F1 2018 forecast shows recovery in 2019 and is in line with 2020 target</li> </ul> |

## Disaggregation

|                        | Result      | Country count |
|------------------------|-------------|---------------|
| High Impact Africa 1   | 0.15        | 6             |
| High Impact Asia       | 0.12        | 9             |
| Africa and Middle East | 0.09        | 40            |
| High Impact Africa 2   | 0.08        | 8             |
| Asia Europe Latin      | 0.07        | 46            |
| America and Caribbean  | 0.07        | 46            |
| <b>Total</b>           | <b>0.51</b> | <b>109</b>    |

Overall results driven by HI Africa 1 and HI Asia due to two high burden countries that were limited by "max shares" in the 2014-16 allocation model

## Performance over time



## Interpretation

- Four countries account for the deterioration in performance from 2016 to 2017:
  - 2 had 2017 grant expenses >250% of the previous 3-yr average due to overlap of funding commitments for old and new allocations
  - 2 received grant expenses below 40% of the previous 3-yr average as they continued to spend their previous commitments but had not yet initiated their new allocation
- Results smoother and closer to target when calculated using disbursements rather than grant expenses

NOTE: Includes countries that received an allocation and had cumulative 2015-2017 grant expenses >0; Excludes countries that received their entire allocation through a multi-country grant





Funding



Design



Implementation



Results

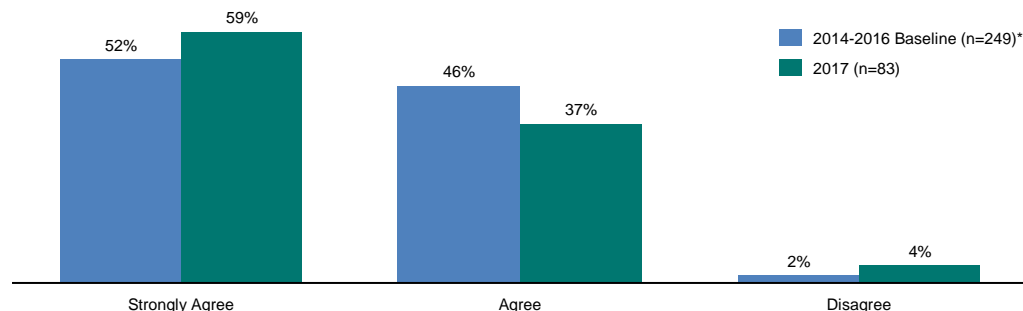
## Program setup

● KPI 3 – Alignment of investment & need

● KPI 6f – NSP alignment

| Measure                                                                                                                                                                                                                                  | End-2017 Result                                                                                                                                         | Key takeaways                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Percentage of funding requests rated by the TRP to be aligned with National Strategic Plans:<br><i>“The funding request aligns with national priorities as expressed in the National Strategic Plan (or an investment case for HIV)”</i> | <b>96% ‘Strongly Agree’ / ‘Agree’</b><br><br><b>Target</b><br><br>90% ‘Strongly Agree’ / ‘Agree’<br>(‘Very Good’ / ‘Good’ in previous survey iteration) | <ul style="list-style-type: none"> <li>• <b>Results continue to exceed target</b></li> <li>• Compared to 2014-2016 baseline, a <b>higher proportion of respondents ‘Strongly Agree’</b> with survey question, indicating potentially improved alignment between funding requests and national priorities</li> </ul> |

## Results vs. Baseline



\*For Baseline, question & possible answers were slightly different from current question & answers. 2014-2016 question: “The funding request aligns with national priorities as expressed in the National Strategic Plan (or an investment case for HIV)” with responses “Very Good”, “Good”, “Poor”, “Very Poor”. For comparison purposes, “Very Good” has been mapped to “Strongly Agree” in current survey; “Good” to “Agree”; “Poor” to “Disagree”, etc. Excludes “N/A” responses.

Difference between size of cohorts due to fact all funding requests (concept notes) were assessed in last cycle, and in current cycle, only tailored and full funding requests are being assessed



Funding



Design



Implementation



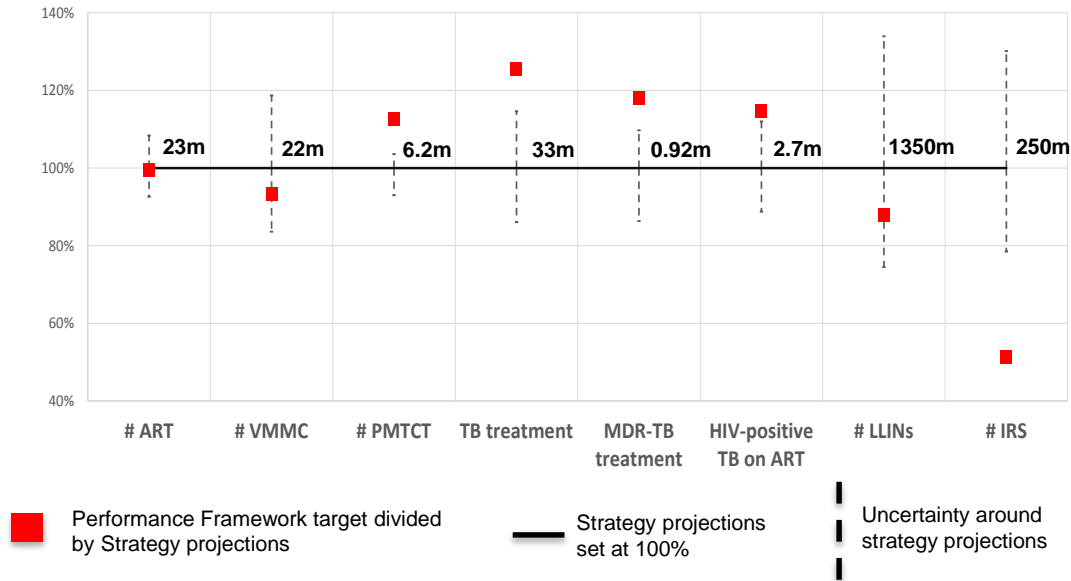
Results

## Choice of Activities

● KPI 4 – Investment efficiency

● Alignment of strategic targets vs. grant targets

## Status of strategic target integration into grants *(based on components accessing funding in Window 1-3)*



- The Secretariat is monitoring the extent to which the targets signed into grants align to the projections used to set strategic KPI 2 targets
- In **aggregate**, after three application windows, **good alignment** of grant targets and strategy projections
- **Gaps for LLINs and IRS are driven by one High-Impact Asia LMI country.** It has no IRS target in its Performance Framework, so the latest actuals (per WHO) were used. It also assumes a smaller population at risk for LLIN intervention than WHO does
- Full comparison for performance framework targets and KPI 2 projections is only possible once all grants are signed

\* The graph shows the projections for the entire 6 years of strategy for all eligible countries (end-2022 for ART). PF targets for 2021-2022 were assumed the same as 2020. Gaps in PF targets for 2017-2020 were filled assuming the same targets or results from the preceding years.



Funding



Design



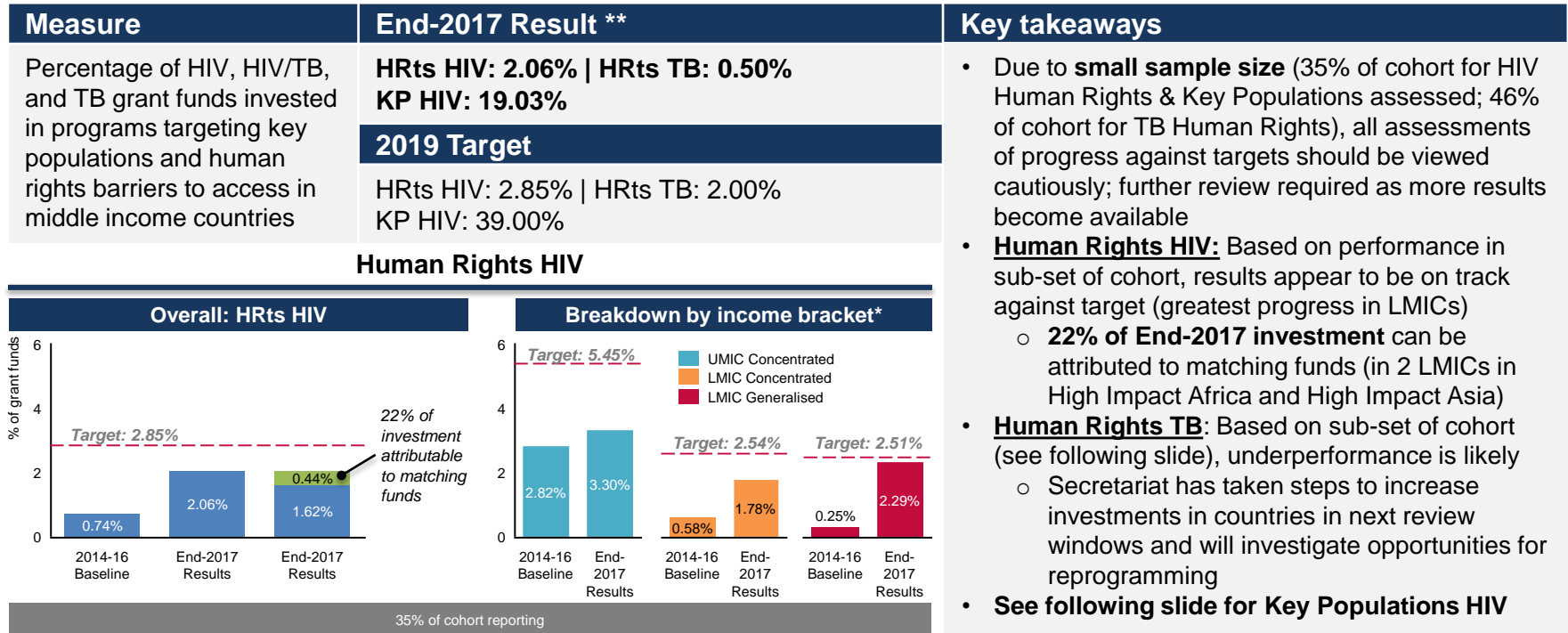
Implementation



Results

## Budget for Activities

- KPI 9b – Funding for programs targeting KP and Human Rights in MICs (p. 1/2)





Funding



Design



Implementation



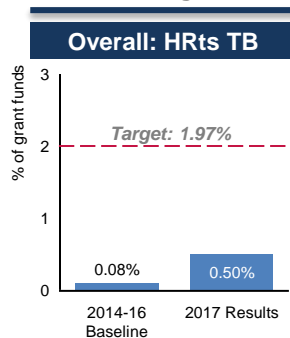
Results

## Budget for Activities

- KPI 9b – Funding for programs targeting KP and Human Rights in MICs (p. 2/2)

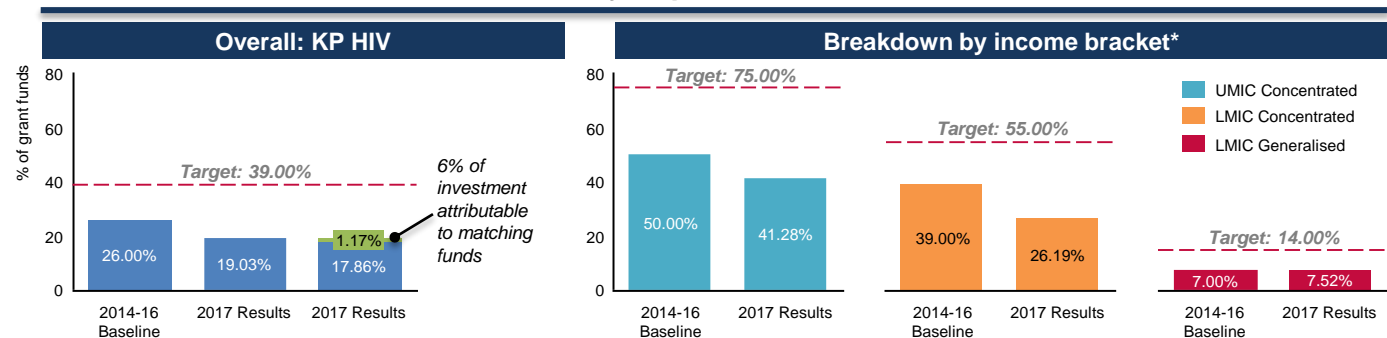
| Measure                                                                                                                                                     | End-2017 Result **                                                                                                                           | Key takeaways                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Percentage of HIV, HIV/TB, and TB grant funds invested in programs targeting key populations and human rights barriers to access in middle income countries | <b>HRts HIV: 2.06%   HRts TB: 0.50%</b><br><b>KP HIV: 19.03%</b><br><b>2019 Target</b><br>HRts HIV: 2.85%   HRts TB: 1.97%<br>KP HIV: 39.00% | <ul style="list-style-type: none"> <li>• <b>Key Populations HIV:</b> Below-baseline result raises concerns about ability to achieve target; however, only small sub-set of cohort is reporting, and country-level baseline vs. results comparisons indicate progress on track in majority of contexts</li> <li>• Inclusion of KP matching funds in 3 countries increased investment by an average of 26% in these countries</li> </ul> |

## Human Rights TB



46% of cohort reporting

## Key Populations HIV



35% of cohort reporting



Funding



Design



Implementation



Results

## Financial Performance

● KPI 7a – Fund utilization: allocation utilization

● KPI 7b – Fund utilization: absorptive capacity

| Measure                                                                                         | End-2017 Result                                                     | Key takeaways                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Portion of allocation that has been committed or is forecast to be committed as a grant expense | 92% (4 <sup>th</sup> replenishment)*                                | <ul style="list-style-type: none"> <li>Result has increased slightly from 91% 4<sup>th</sup> replenishment baseline, but is expected to reduce again once final reconciliation of cash balances and commitments are available</li> <li>4<sup>th</sup> replenishment ALM remains balanced; Conversion of uses of funds continues as planned</li> </ul> |
|                                                                                                 | <b>Target</b><br>91-100% (5 <sup>th</sup> replenishment, 2018-2020) |                                                                                                                                                                                                                                                                                                                                                       |

\* Actual plus forecasted disbursements at allocation exchange rate relative to the allocation. Figure is based on disbursements rather than committed grant expenses to account for funding that was committed prior to 2014. When measured using only actual disbursements, the result is 89% as communicated to the AFC.



Funding



Design



Implementation



Results

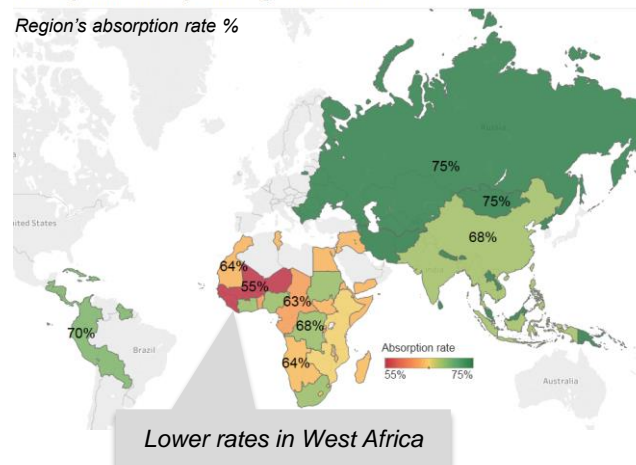
## Financial Performance

- KPI 7a – Fund utilization: allocation utilization
- KPI 7b – Fund utilization: absorptive capacity (p. 1/2)

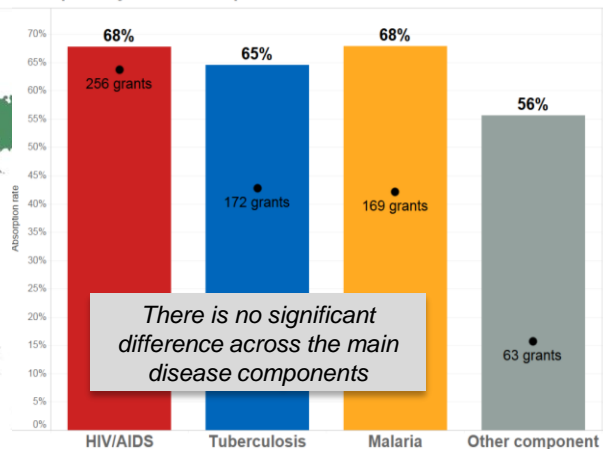
| Measure                                                                                            | End-2016 Result              | Key takeaways                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Portion of grant budgets that have been reported by country program as spent on services delivered | 66%                          | <ul style="list-style-type: none"> <li>In 2014 to 2016, the Secretariat disbursed 75% of grant budgets. Of disbursed funds, 88% were realized as in-country expenditures</li> <li>Absorption is strongest in EECA and SE Asia and lowest in W Africa</li> <li>Linked to Challenging Operating Environments (62% vs 68% for non COE)</li> <li>Potential effect of currency fluctuations at country level over the period</li> <li>Despite absorption challenges, portfolio optimization of unused funds has led to 92% utilization of 2014-2016 allocations (KPI 7a)</li> </ul> |
|                                                                                                    | <b>Target</b><br>75% by 2022 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

## Absorption Rate by GR Regional Team

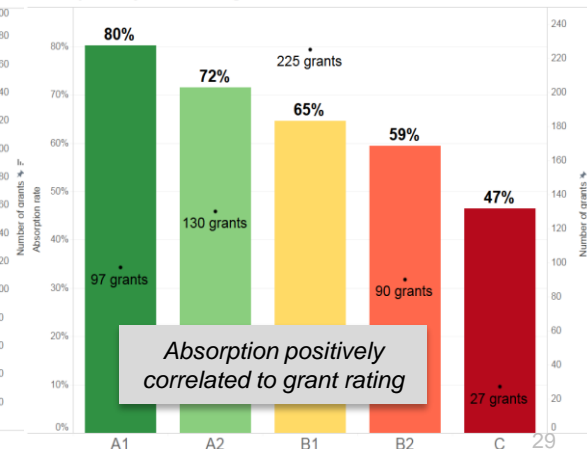
Region's absorption rate %



## Absorption by disease component



## Absorption by latest rating





Funding



Design



Implementation



Results

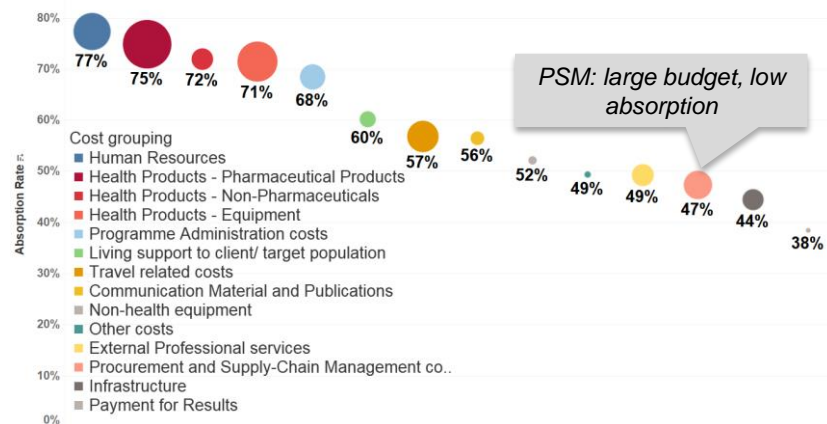
## Financial Performance

● KPI 7a – Fund utilization: allocation utilization

● KPI 7b – Fund utilization: absorptive capacity (p. 2/2)

**By cost grouping** varying absorption rates depending on budget cost grouping. **Generally higher budget amounts (commodities and program running costs) show higher absorption rates.** Exception: **PSM costs** - high proportion of total budget but low absorption (driven by a Malaria grant in High-Impact Africa 1, a Malaria grant in Southern Africa and an HIV/AIDS grant in High Impact Africa 2).

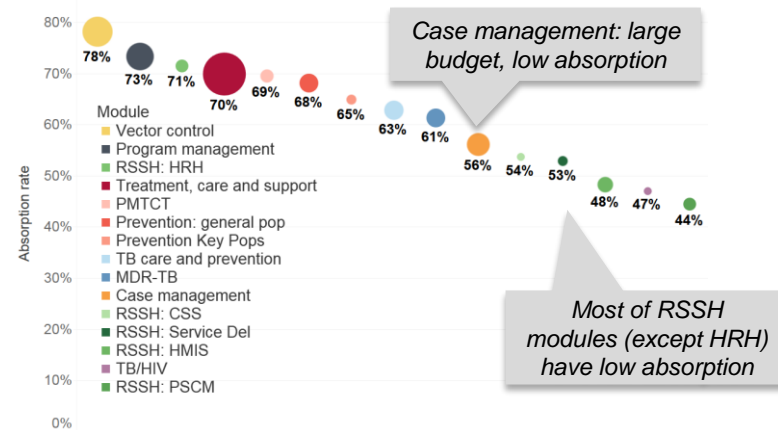
Absorption rate by cost grouping



Size of bubble reflects the total amount budgeted

**By module\*** Good absorption for **program management costs, HRH** (both easier to forecast?) and **vector control**. **Lowest absorption rates for Case Management** (driven by one country in High Impact Africa 2) and for **RSSH** (except HRH). Under-absorption in RSSH strongly correlated to country capacity (less capacity linked with low absorption).

Absorption rate by module



\*Caveat: no standard modules for pre-NFM data: mapping done whenever possible but significant share of data could not be used in module analysis



Funding



Design



Implementation



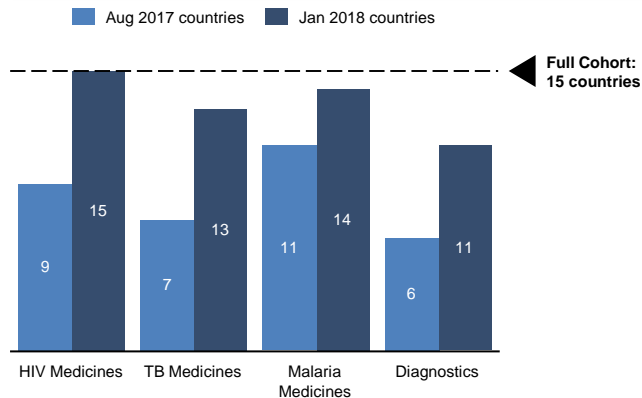
Results

### Build resilient and sustainable systems for health

- KPI 6a – Procurement system
- KPI 6b – Supply Chains
- KPI 6c – Financial Management
- KPI 6d – HMIS coverage

| Measure                                                                                                     | End-2017 Result                                             | Key takeaways                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i. Percentage of health facilities with tracer medicines available on the day of the visit                  | <b>Enhanced baseline based on expanded cohort</b>           | As highlighted in fall 2017 reporting, baseline would be enhanced with data from further programmatic spot-checks. Integrating this, # of countries with baseline data greatly expanded – resulted in minor changes to baseline (greatest change: diagnostic availability: -3% change vs. Aug 2017) |
| ii. Percentage of health facilities providing diagnostic services with tracer items on the day of the visit | <b>Target</b><br>15% reduction in non-availability per year |                                                                                                                                                                                                                                                                                                     |

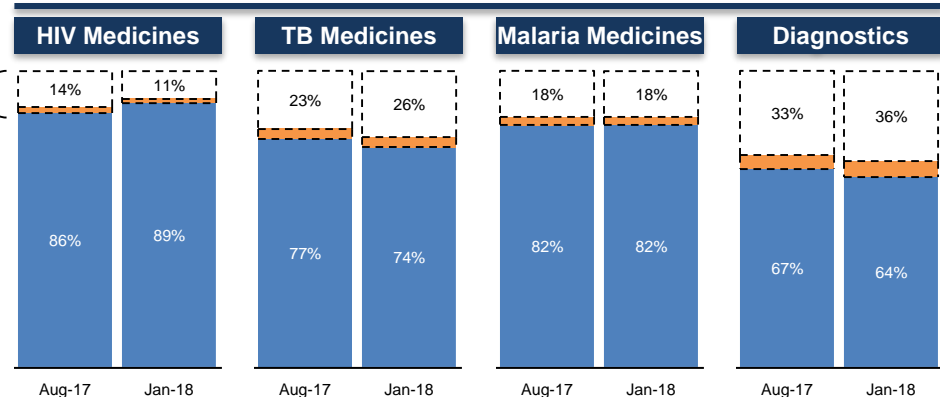
### Expanded Cohort: Aug. 2017 vs. Jan. 2018



**Target:** reduce non-availability by 15%  
 E.g., 14% non-availability (white & orange) \* 15% = target reduction in non-availability (orange)

Non-Availability  
 Target Reduction  
 Availability

### Enhanced Baseline for Medicine and Diagnostic Availability\*







Funding



Design



Implementation



Results

### Build resilient and sustainable systems for health

● KPI 6a – Procurement system

● KPI 6b – Supply Chains

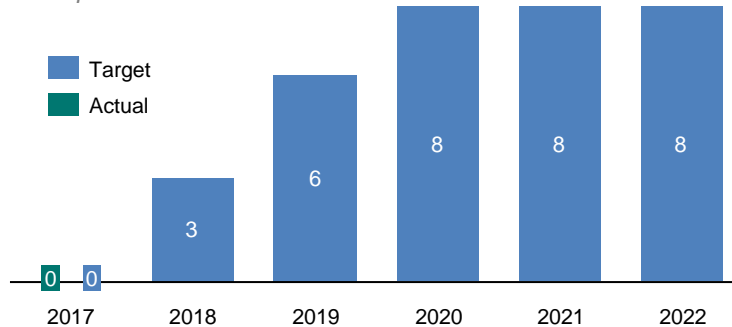
● **KPI 6c – Financial Management i.**

● KPI 6d – HMIS coverage

| Measure                                                                                | End-2017 Result                                                               | Key takeaways                                                                                                               |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| i. # high priority countries completing public financial management transition efforts | <b>0 in 2017</b><br><b>Target</b><br>3 in 2018 (progress update only in 2017) | <ul style="list-style-type: none"> <li><b>Progress on-track</b> for achievement of target in 3 countries in 2018</li> </ul> |

### Overall Progress Against Target

# of countries using 6 defined financial management systems components



### Interpretation

- Development of comprehensive action plans for alignment and use of either country or donor harmonized systems for financial management of the Global Fund grants is progressing in 3 countries:
  - High Impact Asia LMIC:** significant progress integrating Global Fund costing dimensions into MoH Integrated Financial Management Information System, allowing country to perform Global Fund budgeting, accounting, and reporting
  - Core LI country in West Africa:** Partner capacity secured to formulate MoH action plan, and support design of a shared service unit for managing health care projects
  - Core LI country in West Africa:** full operationalization of a shared service/donor-harmonised unit in MoH



Funding



Design



Implementation



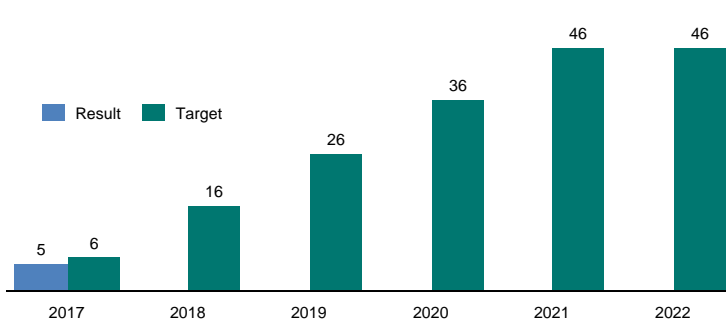
Results

### Build resilient and sustainable systems for health

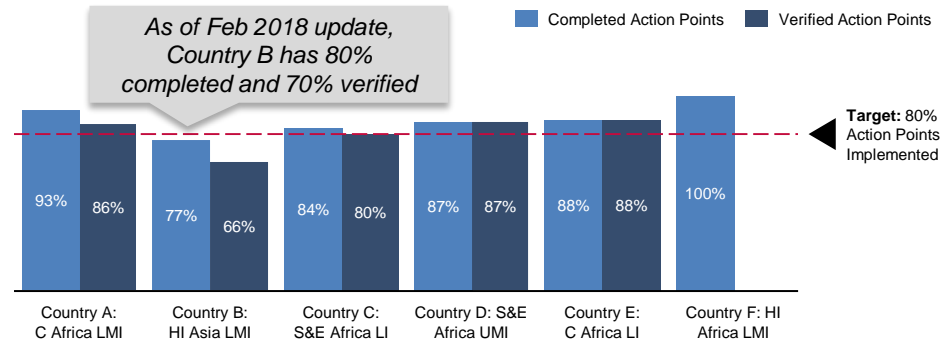
- KPI 6a – Procurement system
- KPI 6b – Supply Chains
- **KPI 6c – Financial Management ii.**
- KPI 6d – HMIS coverage

| Measure                                                                     | End-2017 Result                                                                                                                                                                          | Key takeaways                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ii. # countries with financial management systems meeting defined standards | <p><b>5 out of 6 countries had at least 80% implementation of agreed actions</b></p> <p><b>Target</b></p> <p>6 countries in 2017, with at least 80% implementation of agreed actions</p> | <ul style="list-style-type: none"> <li>Country B completed just under 80% of action points by Dec 2017 (77%); however, by Feb 2018, had reached 80% completion; delay was attributed to focus on grant making during 2017</li> <li><b>Progress on track</b> in additional 10 countries to meet 2018 target</li> </ul> |

### Overall Progress Against Target



### Results Breakdown by Country





Funding



Design



Implementation



Results

### Sub-indicator definitions

**HMIS coverage:** 80%+ of health facilities submitting monthly/quarterly reports to electronic HMIS (national HMIS/disease specific system)

**Timeliness:** 80%+ of reports from health facilities submitted to electronic HMIS received on time

**Completeness:** 80%+ of reports from health facilities submitted to electronic HMIS are complete

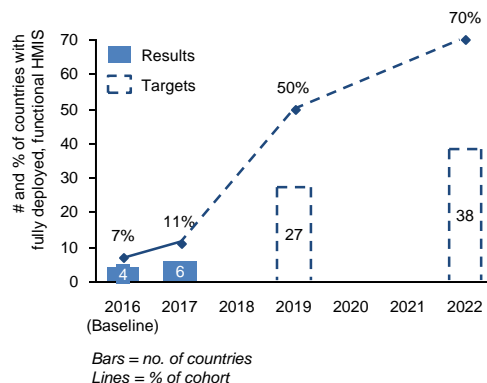
**Disease data in the national HMIS:** data for all relevant HTM indicators is available in national HMIS

### Build RSSH

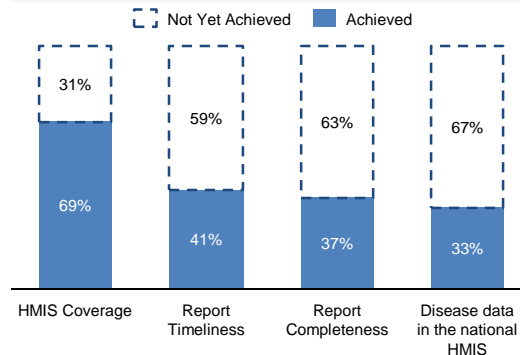
- KPI 6a – Procurement system
- KPI 6b – Supply Chains
- KPI 6c – Financial Management
- **KPI 6d – HMIS coverage**

| Measure                                                                                                                                                                                 | End-2017 Result                                                                                                                                     | Key takeaways                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Percent of high impact and core countries with fully deployed (80% of facilities reporting for combined set of sub-indicators), functional (good data quality per last assessment) HMIS | <b>11% (6 countries) with fully deployed and functional HMIS</b><br><b>Target</b><br>70% (38 countries) by 2022<br>Interim target: 50% (27) by 2019 | <ul style="list-style-type: none"> <li>• <b>Significant progress required</b> to meet 2019 target. However, aggregate measure hides higher rates of achievement on individual indicators</li> <li>• <b>43% of countries have achieved 2-3 of 4 sub-indicators</b>; 2019 target can be met by focusing on progress in these countries</li> </ul> |

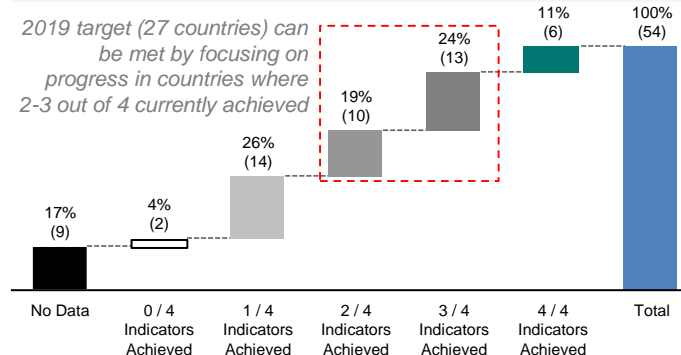
### Overall Progress Against Target



### Achievement Rate by Sub-Indicator



### Country Status Against Sub-Indicators





Funding



Design



Implementation



Results

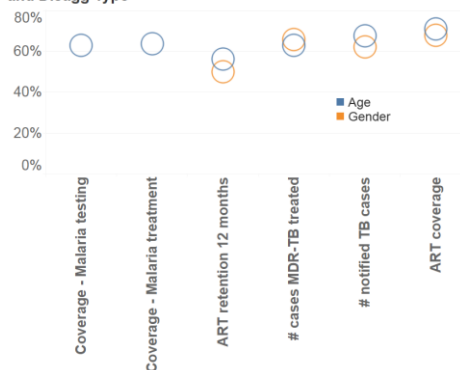
### Promote and protect human rights & gender equality

#### KPI 6e – Results disaggregation

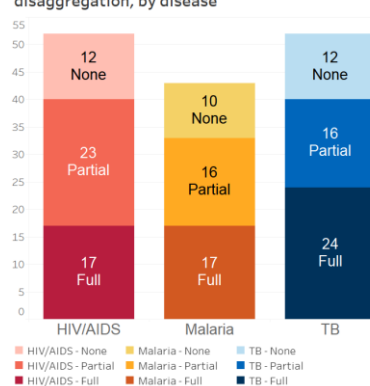
- KPI 8 – Gender & age equality
- KPI 9a – Reduce human rights barriers to services

| Measure                                                               | End-2017 Result                                                                                                                                                                 | Key takeaways                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number and percentage of countries reporting on disaggregated results | <p>26% (14 countries out of 53 in cohort) have reported and provided disaggregation by age and by gender on all relevant indicators</p> <p><b>Target</b></p> <p>50% by 2019</p> | <ul style="list-style-type: none"> <li>On track, 14 countries fully reporting and 29 countries reporting some disaggregated results</li> <li>Lower rate for gender disaggregation compared to age, and for HIV O1 (% of PLWHIV on treatment 12 months after initiation of ART) compared to other indicators</li> <li>11 countries with no disaggregated baseline now have now disaggregated results</li> </ul> |

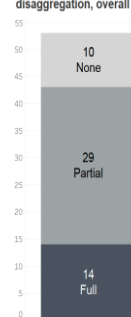
% of countries reporting disaggregated results, by Indicator and Disagg Type



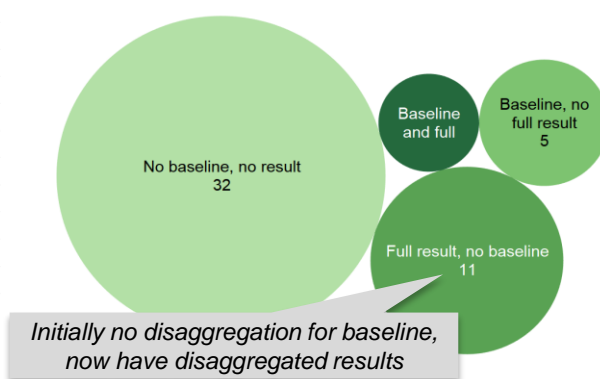
Number of countries reporting all or some disaggregation, by disease



Number of countries reporting all or some disaggregation, overall



Baseline vs full reporting, by country





Funding



Design



Implementation



Results

### Promote and protect human rights & gender equality

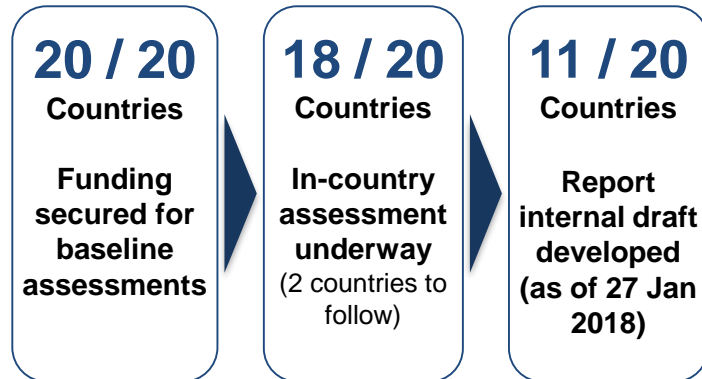
● KPI 6e – Results disaggregation

● KPI 8 – Gender & age equality

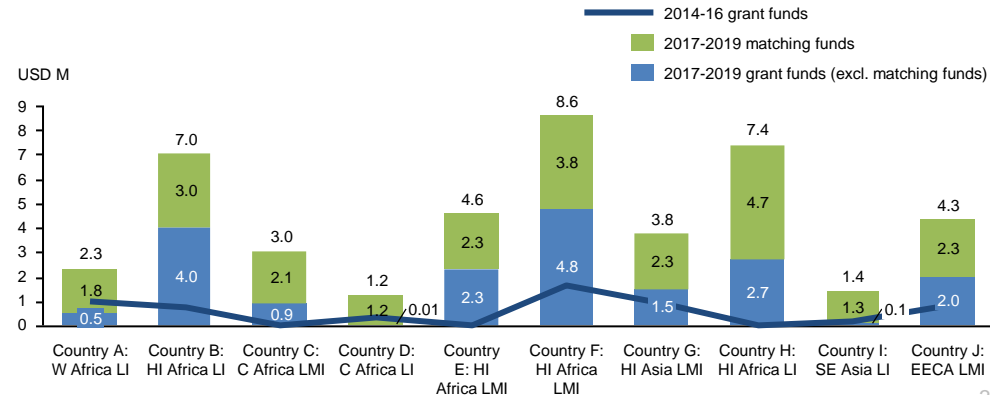
● KPI 9a – Reduce human rights barriers to services

| Measure                                                                                                                   | End-2017 Result                                             | Key takeaways                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of priority countries with comprehensive programs aimed at reducing human rights barriers to services in operation | <b>Update on progress</b>                                   | <ul style="list-style-type: none"> <li>Significant progress undertaken to document existing HRts barriers and existing programs &amp; estimate their costs through baseline assessments</li> <li>Initial findings in select countries indicate that the intense effort in the cohort countries is encouraging significant increases in investment in HRts through grant funds</li> </ul> |
|                                                                                                                           | <b>Target</b>                                               |                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                           | 4 priority countries for HIV<br>4 priority countries for TB |                                                                                                                                                                                                                                                                                                                                                                                          |

### Significant progress made to-date



### Efforts driving greater HRts investments



# Schedule for reporting on remaining KPIs

| KPI                                                 | Target 1 <sup>st</sup> reporting | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| KPI 1: Performance against impact targets           | Q2 2019                          | Technical partner data typically published after Q3 Committee deadlines, so reporting shifted to Q2 2019                                                                                                                                                                                                                                                                                                                                       |
| KPI 2: Performance against service delivery targets | Q4 2018 (partial)                | As above for coverage & quality measures; Service delivery counts available for Q4 2018 reporting                                                                                                                                                                                                                                                                                                                                              |
| KPI 4: Investment efficiency                        | Q4 2018 (partial)                | Methodology pending finalization with technical partners                                                                                                                                                                                                                                                                                                                                                                                       |
| KPI 5: Reporting on service coverage for KPs        | Q4 2018                          | Partner alignment on methodology; Data collection on-track with 65 desk reviews complete and 32 in-country reviews ongoing; Initial results to be shared in KP deep dive at July SC                                                                                                                                                                                                                                                            |
| KPI 6a: National procurement                        | TBD                              | Based on Committee feedback, exploring option of adjusting cohort to include the 6 national procurers and 4 international agencies that make up approximately 30% of GF health product spending; when taken together with PPM, 85% of health product spend would be monitored via standard indicators; Focusing on small number of high volume procurers will streamline the data collection process and overcome challenges noted in the Fall |
| KPI 8: Gender & age equality                        | Q2 2019                          | See KPI 1; Modification of the Goals Model to confine the effects of interventions for young women to that population group had little effect and did not indicate a need for target recalibration; A new model that has a full age and sex structure is under development                                                                                                                                                                     |