
Electronic Report to the Board

43rd Board Meeting

GF/B43/ER06

Board Decision

Purpose of the paper: Indicator Revisions and Target Setting for Key Performance Indicators 6a: Resilient and Sustainable Systems for Health - Procurement; 6f: Alignment with National Strategic Plans; 9C: Key populations and human rights domestic investments and 12b: Availability of affordable health technologies: Affordability

Decision

Decision Point: GF/B43/EDP06: Indicator Revisions and Target Setting for Key Performance Indicators 6a: Resilient and Sustainable Systems for Health: - Procurement; 6f: Alignment with National Strategic Plans; 9C: Key populations and human rights domestic investments and 12b: Availability of affordable health technologies: Affordability

1. **Based on the recommendation of the Strategy Committee, the Board approves:**
 - a. **the revisions for Key Performance Indicator 6a as presented in GF/B43/ER06;**
 - b. **the performance target for Key Performance Indicator 6f as presented in GF/B43/ER06; and**
 - c. **the revisions for Key Performance Indicator 9c as presented in GF/B43/ER06.**

2. **Based on the recommendation of the Audit and Finance Committee, the Board approves the revision to the 2020 performance target for Key Performance Indicator 12b as presented in GF/B43/ER06.**

This decision has no budgetary implications.

A summary of relevant past decisions providing context to the proposed Electronic Decision Point can be found in Annex 1.

Executive Summary

Context

- The Global Fund's 2017-2022 Strategic Key Performance Indicator Framework (the "Framework") is consistent with the Global Fund's 2017-2022 Strategy, *Investing to End Epidemics*, incorporating significant inputs from Board constituencies and technical partners. The Framework was approved by the Board via electronic decision point following the 35th Board Meeting (GF/B35/EDP05)¹.
- The 2017-2022 Strategic Key Performance Indicator Targets (the "KPI Targets") were approved by the Board through electronic decision point following the 36th Board Meeting (GF/B36/EDP09)². This followed a four-month consultation process with Board-nominated technical experts to review the appropriateness and ambition of each KPI Target.
- The result for KPI 6a has never been reported to date. This KPI, as currently defined without revision, will likely continue to not be reported despite any possible additional effort by the Global Fund Secretariat.
- The target for KPI 6f was specific to the 2017-2019 allocation period. This target needs to be confirmed for the 2020-2022 period.
- An interim indicator was adopted for KPI 9c in the 2017-2019 allocation period. The final definition and methodology for the final KPI 9c indicator needs to be confirmed for the 2020-2022 allocation period.
- The KPI 12b Target was set in November 2019 and approved in GF/B41/EDP16. A revision to this target is proposed, based on recent data. The KPI 12b Target will continue to be set annually based on best available demand and price projections.

Questions this paper addresses

- A. What is the proposed revision of KPI 6a?
- B. What is the proposed revision of KPI 6f?
- C. What is the proposed revision of KPI 9c?
- D. What is the proposed revision of KPI 12b?

Conclusions

- A. The revisions of KPIs 6a, 6f and 9c are recommended by the Strategy Committee for Board approval, and the revision of KPI 12b is recommended by the Audit and Finance Committee (KPI 12b) for Board approval.

¹ <https://www.theglobalfund.org/Board-decisions/B35-EDP05/>

² <https://www.theglobalfund.org/Board-decisions/B36-EDP09/>

Input Sought

Decision Point: GF/B43/EDP06: Indicator Revisions and Target Setting for Key Performance Indicators 6a: Resilient and Sustainable Systems for Health - Procurement; 6f: Alignment with National Strategic Plans; 9C: Key populations and human rights domestic investments and 12b: Availability of affordable health technologies: Affordability

Input Received

The proposed revisions of KPIs 6a, 6f and 9c have been reviewed and endorsed by the Strategy Committee and the proposed revision of KPI 12b has been reviewed and endorsed by the Audit and Finance Committee.

What is the need or opportunity?

1. This paper proposes revisions to the definitions or targets for KPIs 6a, 6f, 9c and 12b.
2. The Audit and Finance Committee (the “AFC”) and the Strategy Committee (the “SC”) have each been allocated responsibility for recommending different Targets, according to their respective committee mandates, as follows:
 - i. The AFC is responsible for overseeing and recommending Targets for KPIs 7, 10 and 12; and
 - ii. The SC is responsible for overseeing and recommending Targets for KPIs 1, 2, 3, 4, 5, 6, 8, 9 and 11.

What do we propose to do and why?

3. The proposed revisions for KPI 6a, KPI 6f, KPI 9c and KPI 12b are outlined below for Board approval.

What is the proposal?

Strategic Objective 2: Build Resilient and Sustainable Systems for Health		
KPI 6a Resilient and Sustainable Systems for Health – Procurement		
	<i>As currently approved</i>	<i>Proposed revision</i>
Name	Resilient and Sustainable Systems for Health – Procurement	Resilient and Sustainable Systems for Health – Procurement Prices
Definition	Improved outcomes for procurements conducted through countries’ national systems, tracked via: <ol style="list-style-type: none"> i. Product prices ii. On-time in full (OTIF) delivery iii. Administrative lead time 	Improved outcomes for procurements conducted through countries’ national systems, tracked via product prices.
Purpose	Ensures that procurement capacity is actually delivering improved outcomes in terms of prices, on-time delivery and lead time.	Ensures that procurement capacity is actually delivering improved outcomes in terms of prices.
Indicator	<ol style="list-style-type: none"> i. % of prices at or below the PPM reference price ii. % of consignments delivered on time in full iii. % of purchases meeting tender to Purchase Order submission benchmark 	% of quality assured core products purchased at or below the PPM reference price
Level of disaggregation	Region	Product category and country

Baseline	<ul style="list-style-type: none"> i. 76% in 2015* ii. 58% in 2015* iii. Pending enhancement to data collection tool* <p>* There are significant limitations in Price & Quality Reporting (PQR) data used for baseline analysis</p>	<i>[Will be provided as part of the baseline analysis, to be presented at Fall 2020 Board meeting]</i>
Targets	<ul style="list-style-type: none"> i. 100% annually 2017-2019 ii. 60% annually 2017-2019 <p>Pending enhancement to data collection tool</p>	<i>[Numerical value to be defined as part of the baseline analysis to be presented at Fall 2020 Board meeting]</i>
Cohort	All core products; All grants using national procurement mechanisms	<p>Core PPM products, compliant to the Global Fund Quality Assurance policy, for which prices are comparable (i.e., ARVs, bed nets, RDTs and ANTM) for country using a national procurement channel for these products that has either (a) a sufficiently high amount spent for these products; or (b) significant funding for RSSH-PSM in their grant.</p> <p><i>[List of countries to be established in the context of the baseline analysis to be presented at Fall 2020 Board meeting, and to be revised subsequently on an annual basis]</i></p>
Data source	Global Fund Price & Quality Reporting system (PQR)	Global Fund Price & Quality Reporting system (PQR)
Calculation methodology	<ul style="list-style-type: none"> i. % of prices (weighted average per grant) at or below the PPM reference price ii. % of consignments delivered on time in full (OTIF) (delivery date not exceeding 14 days from supplier promised date) iii. % of purchases meeting tender to Purchase Order submission benchmark 	<p>Binary score for whether each combination of countries and products in the cohort was purchased at or below the PPM reference price for the measurement year, aggregated by product category and by country.</p> <p>All products and countries will have the same weight in the final result.</p>
Reporting frequency	Annually	Annually, Fall Board meeting
Availability of projections	No	No
Additional notes	<p>Measure helps to focus procurement capacity-development efforts on delivery of results, rather than delivery of service.</p> <p>There is a risk that outcomes can be impacted by factors outside the</p>	<p>Measure helps to focus procurement capacity-development efforts on delivery of results, rather than delivery of service.</p> <p>There is a risk that outcomes can be impacted by factors outside the procurer's control (e.g. changes in</p>

	<p>procurer's control (e.g. changes in market conditions for active pharmaceutical ingredients can impact price or on-time in-full delivery). Country outcomes could be compared to international benchmarks to address this.</p> <p>Changes to the Global Fund Price & Quality Reporting tool will be required to address delays in data reporting (sometimes up to one year), and to track administrative lead time.</p>	<p>market conditions for active pharmaceutical ingredients can impact price). Country outcomes could be compared to international benchmarks to address this.</p> <p>Result for "On-time in full (OTIF) delivery" for purchases made both through national procurement channels and through PPM will be provided in the Strategic Performance Report as management information to provide additional context to KPI 6a.</p>
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KPI 6f	RSSH – Alignment with National Strategic Plans	
	<i>As currently approved</i>	<i>Proposed revision</i>
Indicator	Percentage of funding requests rated by the TRP to be aligned with National Strategic Plans	<i>No change</i>
Target	90% Strongly Agree/ Agree over the 2017-2019 period	90% Strongly Agree/ Agree over the 2020-2022 period

Strategic Objective 3. Promote and Protect Human Rights and Gender Equality

KPI 9c	Key populations and human rights in transition countries	
	<i>As currently approved</i>	<i>Proposed revision</i>
Name	Key populations and human rights in transition countries	Key populations and human rights domestic investments
Definition	Percentage of funding for programs targeting key populations and human rights barriers to access from domestic (public & private) sources	Percentage of selected countries reporting on domestic HIV expenditure allocated to (i) social enablers, including programs to reduce human rights-related barriers (within target range); and (ii) prevention programs targeting key populations (within target range)
Purpose	This indicator measures the extent to which, in key countries, governments recognize that supporting services for key populations and programs to reduce human rights-related barriers to services are essential, and increasingly take over responsibility for and funding of these services.	<i>No change</i>
Indicator	N/A	% of countries with domestic HIV expenditure allocated to (i) social enablers, including programs to reduce human rights-related barriers, and

		(ii) prevention programs targeting key populations, within target range.
Level of disaggregation	Country	No change
Baseline	N/A	[Will be provided as part of the baseline analysis, to be presented at Fall 2020 Board meeting]
Targets	N/A	[Numerical (%) value ranges to be defined as part of the baseline analysis to be presented at Fall 2020 Board meeting, will be differentiated across the two sub-indicators]
Cohort	Upper middle-income countries	21 countries (Bangladesh, Belarus, Botswana, Cameroon, Costa Rica, Cote D'Ivoire, Dominican Republic, Ghana, Guatemala, India, Indonesia, Jamaica, Kazakhstan, Kenya, Kyrgyzstan, Malaysia, Mauritius, Mozambique, Ukraine, South Africa, Zimbabwe)
Data source	Funding landscape tables submitted as part of country Funding Requests	UNAIDS Global AIDS Monitoring (GAM)
Calculation methodology	N/A	Numerator: Number of countries in cohort that have reported in GAM at least once in previous 3 years, that are reporting a percentage of domestic HIV expenditures allocated to (i) programs targeting social enablers and (ii) prevention in key populations within target range Denominator: Number of countries that have reported in GAM at least once in previous 3 years that are reporting domestic HIV expenditures allocated to programs targeting social enablers and prevention in key populations
Reporting frequency	N/A	Annually, Spring Board meeting
Availability of projections	N/A	No
Strategic Objective	4: Mobilize Increased Resources	
KPI 12b	Availability of affordable health technologies	
	<i>As currently approved</i>	<i>Proposed revision</i>
Target	USD 136m in 2020	USD 150m in 2020 ³

³ Target set annually based on demand and price projections.

Why is this the recommended option?

KPI 6a: Resilient and Sustainable Systems for health – Procurement

4. The indicator revision will permit reporting on this indicator, which is currently impossible, due to the non-availability of relevant quality data and consistent data sources. Reporting on this indicator will be made possible by focusing on price paid, only for countries/products identified as using national channels, by counting each product, category and country with the same weight, and by working with Principal Recipients to ensure good Price and Quality Reporting compliance.

KPI 6f: RSSH – Alignment with National Strategic Plans

5. The current target specifically mentions the “2017-2019 period” (with reference to the 2017-2019 allocation period). The proposed version would extend the target for another allocation cycle, i.e., over the 2020-2022 period. Please note that the Secretariat is not recommending any change to the actual KPI numeric target (keeping it at 90%) nor any change to the calculation methodology.

KPI 9c: Key populations and human rights domestic investment

6. To overcome the data scarcity and data quality challenges of the interim indicator, it is proposed that KPI 9c becomes aligned to indicator 8.3 of the GAM progress reporting⁴ to provide reliable reporting on domestic expenditures for key populations and social enablers. Expenditures reported will be based on 3 categories of social enablers that correlate with the UNAIDS key programs to reduce human rights-related barriers.
7. The selected countries in the cohort is to account for representativeness, commitment, leverage and ability to influence, availability of data, and generalizability across the Global Fund portfolio. Based on the expanded focus, the indicator name will change from ‘Key populations and human rights domestic investments in transition countries’ to ‘Key populations and human rights domestic investments’

KPI 12b: Affordable health technologies: Affordability

8. There has been a significant price decrease achieved on 1st Line Anti-retroviral medicines (“ARV”), after approval of the initial 2020 target, through annual supplier performance reviews conducted in January and February. The Secretariat recommends the target to be updated to take into account this new information, as this represents the current “best price projections”. The KPI 12b Target will continue to be set annually based on best available demand and price projections.

What do we need to do next to progress?

⁴ https://www.unaids.org/sites/default/files/media_asset/global-aids-monitoring_en.pdf

What is required to progress the proposal?

9. Board approval of the KPI 6a, 6f, 9c and 12b revisions will allow the Secretariat to provide annual reporting on the indicators.

Recommendation

The SC and AFC recommend the respective components of the Decision Point presented on page 2 to the Board.

Annexes

Annex 1 – Relevant Past Decisions

Relevant past Decision Point	Summary and Impact
GF/B41/EDP16: Key Performance Indicator 12b: Availability of affordable health technologies: Affordability (November 2019)	The Board approved the final 2020 performance target for Key Performance Indicator 12b as presented.
GF/B36/EDP09: Performance Targets for the 2017 – 2022 Strategic Key Performance Indicator Framework⁵ (March 2017)	The Board: (i) Approved the performance targets where proposals were complete; (ii) Approved the proposed interim indicator proposals for KPIs 5 and 9c; and (ii) Agreed to postpone its review and approval of performance targets for KPIs 6a, 6b and 6e until the final Board meeting of 2017
GF/AFC02/EDP04: Recommendation on Performance Targets for the 2017-2022 Strategic Key Performance Indicator Framework (March 2017)	The Audit and Finance Committee (AFC) agreed to recommend performance targets for KPIs 7, 10 and 12 to the Board for approval.
GF/B36/DP09: Performance Targets for the 2017 – 2022 Strategic Key Performance Indicator Framework (November 2016) ⁶	The Board requested a further opportunity to review the proposed performance targets. Board constituencies were requested to submit a final round of feedback to the Secretariat, and the leadership of the Audit and Finance Committee (AFC) and Strategy Committee (SC) were requested to: (i) determine the performance targets to be addressed by each committee based on their respective mandates; and (ii) establish an advisory group to work with the Secretariat to present revised performance targets to the AFC and SC for recommendation to the Board.
GF/SC02/EDP03: Recommendation on Performance Targets for KPIs 1, 2 and 8 the 2017 – 2022 Strategic Key Performance Indicator (October 2016)	The Strategy Committee reviewed the Secretariat's proposed performance targets for the 2017 – 2022 Strategic Key Performance (KPI) Framework and agreed to recommend the performance targets for Strategic KPIs 1, 2 and 8 to the Board, expressed as point estimates together with uncertainty ranges. In doing so, the Strategy Committee acknowledged the approach for deriving the performance targets for Strategic KPIs 1, 2 and 8, including the modelling assumptions and key inputs.
GF/AFC02/DP05 and GF/SC02/DP05: Recommendation on Performance Targets for the 2017 – 2022 Strategic Key Performance Indicator (October 2016)	The Audit and Finance Committee and Strategy Committee reviewed the Secretariat's proposed performance targets for the 2017 – 2022 Strategic Key Performance (KPI) Framework and agreed to recommend the performance targets that were complete and presented at the Committees' October 2016 meetings, including interim

⁵ <http://www.theglobalfund.org/Board-Decisions/B36-EDP09/>

⁶ <http://www.theglobalfund.org/Board-Decisions/B36-DP09/>

	<p>proposals for Strategic KPI 5 and 9c. The Committees agreed that the Strategy Committee would then review the performance targets for Strategic KPIs 1, 2, 8 and 9b prior to the November 2016 Board meeting to discuss and issue a recommendation to the Board on these targets. The Committees also agreed to recommend deferring the performance targets for the measures associated with Strategic KPIs 6a, 6b and 6e until 2017.</p>
<p>GF/B35/EDP05: 2017 – 2022 Strategic Key Performance Indicator Framework (June 2016)⁷</p>	<p>The Board approved the Strategic KPI Framework for 2017 – 2022, as presented in Annex 1 to GF/B35/ER05. The Board directed the Secretariat to present the Board with the Strategic KPI Framework’s performance targets for approval at the final Board meeting in 2016.</p>
<p>GF/B34/EDP04: Approval of 2016 Targets for the 2014 – 2016 Corporate Key Performance Indicator Framework (January 2016)⁸</p>	<p>The Board approved the 2016 performance targets, noting specific revisions to the performance targets for KPI 7 (Access to Funding) and KPI 10 (Value for Money). Having acknowledged the Secretariat’s response to requests by the Board for additional analysis on certain indicators, the Board directed the Secretariat to implement proposed management actions to improve performance, and to continue towards identifying lessons that could inform the development of the next Corporate Key Performance Indicator Framework.</p>
<p>GF/B33/DP07: Remaining Targets for the 2014 – 2016 Corporate Key Performance Indicator Framework (March 2015)⁹</p>	<p>Under the 2014 – 2016 Corporate Key Performance Indicator Framework, the Board approved updated performance targets for Key Performance Indicators 6, 12 and 16 after additional analysis conducted by the Secretariat following the Board’s approval of the updated 2014 – 2016 Corporate KPI Framework.</p>
<p>GF/B32/DP10: Approval of the Global Fund Corporate KPI Framework 2014-2016 (November 2014)¹⁰</p>	<p>The Board approved the updated Corporate KPI Framework, acknowledging the methodological work required to finalize certain indicators as agreed. The Board also approved the available performance targets for 2015, as well as the plan to present the remaining 2015 performance targets for approval at the Thirty-Third Board Meeting, as set forth in GF/B32/24.a – Revision 2. The decision point to approve the updated performance targets contained in GF/B33/04B completed the remaining action item from GF/B32/DP10.</p>

⁷ <http://www.theglobalfund.org/Board-Decisions/B35-EDP05/>

⁸ <http://www.theglobalfund.org/Board-Decisions/B34-EDP04/>

⁹ <http://www.theglobalfund.org/Board-Decisions/B33-DP07/>

¹⁰ <http://www.theglobalfund.org/Board-Decisions/B32-DP10/>

GF/B30/DP7: The Global Fund Corporate Key Performance Indicator Framework for 2014-2016 (November 2013)¹¹

The Board approved the KPI Framework for 2014-2016 as set forth in GF/B31/7 – Revision 1. The Board asked for annual reports on these indicators, and where available, for interim results to be made available through the information dashboard.

Annex 2 – Committee Input

AFC (relevant excerpts of the AFC12 report)

The Secretariat briefly described the proposed changes to KPI 6a, KPI 6f and KPI 9c (for Strategy Committee recommendation to Board) and presented the new 2020 target for PPM savings (KPI 12b) for AFC recommendation to the Board.

AFC Comments and Questions

1. Several constituencies raised the issue of whether there has been any disruption to the supply chain of commodities typically purchased to support GF programs as a result of COVID-19 and if, consequently, there has been any upward pressure in pricing. Constituencies asked whether this will have an impact on the proposed savings target.
2. Also, on KPI 12b, a constituency enquired where the savings go and on the overall spirit of the KPI and how it is interpreted and used by the Secretariat.

Secretariat Response

3. In response to questions on KPI 12b and impact of COVID-19 on commodity prices and supply chain, the Secretariat confirmed it is working closely with partners to monitor and assess the situation. Currently there is no major observable impact on high volume products. Impact is largely on air-freight logistics, but this is a small part of overall costs. Therefore, at this time, the new 12b target is still considered realistic.
4. The Secretariat emphasized that the spirit of KPI 12b is to drive performance and efficiency. It is focused on ensuring that suppliers have the ability to meet target prices, but it also supports the drive for innovation and new technologies which is a key priority for the Secretariat.

The AFC unanimously recommended the revision of the KPI 12b 2020 target to the Board for approval at its 43rd Meeting in May 2020.

SC (relevant excerpts of the SC12 report)

The Secretariat described the proposed changes to KPI 6a, KPI 6f and KPI 9c. The Secretariat recognized that the new indicator proposals for KPI 6a and KPI 9c have limitations but have been developed to overcome current data availability issues, to enable greater GF accountability in their results; and to ensure reliable reporting against these indicators for the remaining part of the Strategy

SC Comments and Questions

1. KPI 6a (RSSH - Procurement): Whilst several constituencies expressed approval of the new indicator definition, several raised questions on whether removing on-time and in full (OTIF) and admin lead time results in an over simplification of the KPI and if product price alone is a sufficient

¹¹ <http://www.theglobalfund.org/Board-Decisions/B30-DP07/>

marker for measuring improved outcomes for procurement. One constituency suggested to rename the KPI to reflect its narrower focus.

2. KPI 9c (Domestic Funding for KPs and Human Rights): Support for the new indicator is mixed. Three broad areas of questions were raised: (1) does the focus of the new definition still reflects the intention of the original KPI (2) will the focus on social enablers in Global AIDS Monitoring (GAM) be too broad to understand expenditures on human rights (3) is the cohort representative enough?

Secretariat Response

1. Weaknesses on KPI 6a are also recognized by the Secretariat, these concerns will be addressed but cannot be resolved in the short term. Information on OTIF can still be made available as management information, in parallel to the KPI, recognizing that OTIF could be measured differently across countries.
2. The Secretariat CRG team provided a detailed response on concerns around KPI 9c emphasizing the efforts with UNAIDS to redefine the definitions of social enablers in GAM and the reasons for expanding the KPI focus whilst focusing on a realistic, yet still challenging cohort of countries, where data is likely to be available over the short-term.

The Secretariat provided written response to additional comments received for the new indicator definitions for [KPI 6a](#) and [KPI 9c](#), and revised the proposed changes accordingly.

Following this exchange, the Strategy Committee unanimously recommended the revised changes to KPI6a, KPI6f and KPI9c to the Board for approval.