

Next Steps on Preparations for Strategy Implementation

46th Board Meeting

For Board Information

GF/B46/21

8-10 November 2021, *Virtual*

Overview

Timing

- Preparations for Strategy implementation are sequenced to commence in line with Board approval of the Strategy Narrative - and are just kicking off internally.
- Preparations will span a two-year period (2022-2023) and be planned holistically, but work stages prioritized:
 - Over 2022: preparations needed in advance of issuing allocation letters;
 - Over 2023: other preparations needed in advance of first cycle of grants under next Strategy, most of which start 1 January 2024 onwards.

Focus

- Preparations will span areas of change needed at the Secretariat level, and to be instigated across other areas of the partnership.
- There will be a special emphasis on areas where 1) improved performance is needed, and 2) areas that are new in the Strategy (including top 10 things that are new about the Strategy).
- Flexibility will need to be maintained to continue to adapt to the evolving global context.

Oversight

- Preparations will be overseen by the Strategy Committee (SC), under the overall guidance of the Board.
- The SC will have a first briefing on preparations for Strategy implementation in March 2022.

Overarching Approach

- Areas of Strategy focus set out under the Primary Goal, Objectives and Partnership Enablers will be reviewed to see where changes or special attention is needed to ensure their delivery, assessing:
 - Which existing levers the Global Fund partnership can use to incentivize delivery;
 - And to determine where new solutions need to be identified.
- This work will consider lessons from implementation to date, interdependencies between work areas, root cause analyses, assessment of relevant system-wide (dis)incentives – and will be undertaken jointly with actors in the partnership where relevant and as described in the Strategy Narrative.
- An overview of the approach and schedule for preparations for Strategy implementation will be discussed with the SC in March 2022.

Non-exhaustive list of existing GF levers to be used or built on

Investment focus

- Eligibility, country allocations, allocation letters
- Catalytic investments
- Funding request materials & guidance
- Country dialogue & CT engagement
- Policy flexibilities (STC, COE, COIM)
- TRP and GAC
- Grant conditions & funding decisions
- Reprogramming & Portfolio Optimization
- Specific measures where country ownership responsibilities not met

Accountabilities & implicit (dis)incentives

- M&E Framework, incl. KPIs
- Strategy: Partnership Enablers section
- Risk management framework, appetite thresholds, assurance model, financial management processes
- Secretariat operations, processes, tools
- CCM policies, requirements, funding agreements, guidance, bylaws, tools

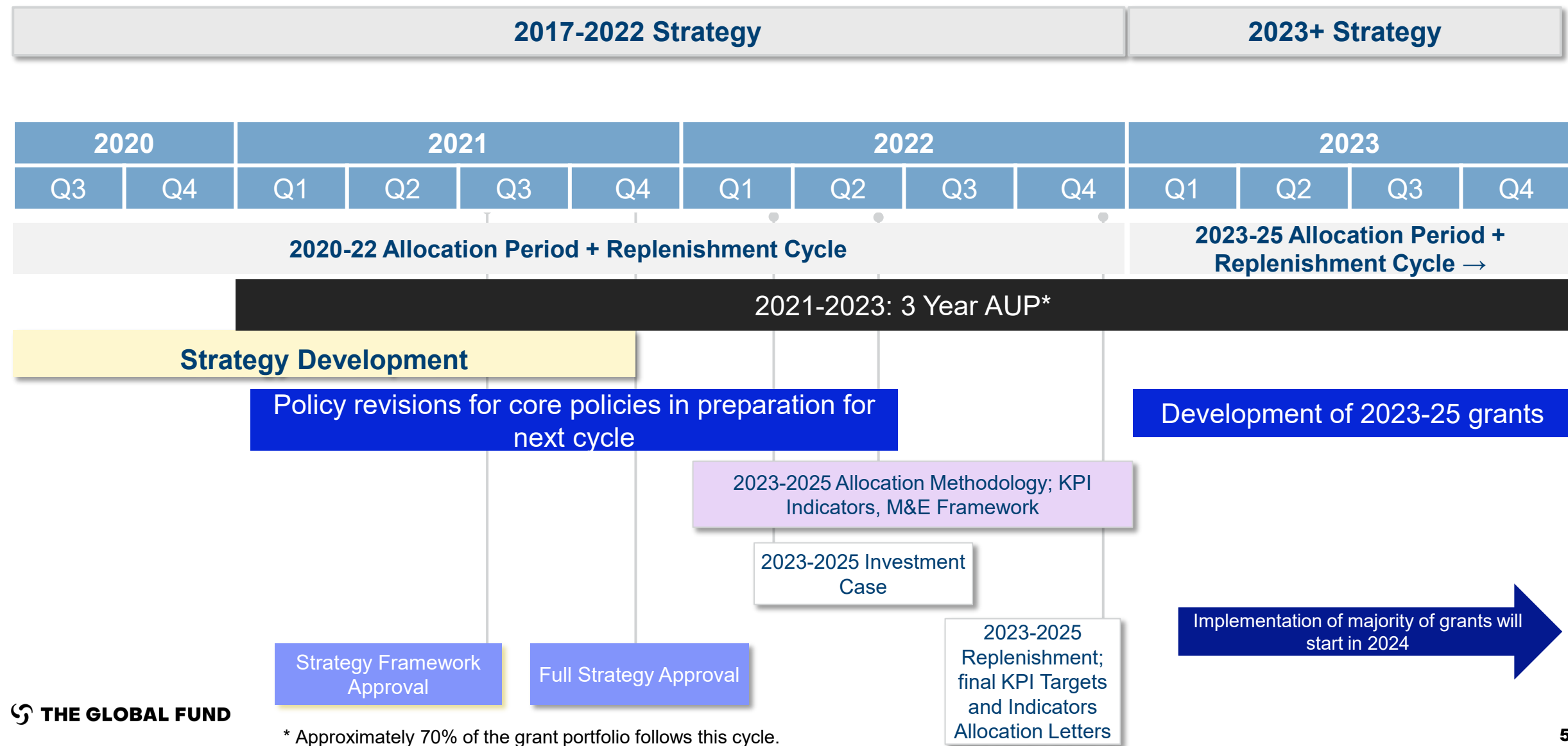
Partnership-level

- Alignment on funding priorities
- Normative and prioritization guidance
- Technical support and capacity building
- Diplomatic voice
- Community & civil society platforms, networks
- Supplier contracts, codes of conduct
- Cultivating partnerships/ partner coordination
- Innovative financing approaches

Content Overview

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Reminder: Global Fund Strategy Development Timeline



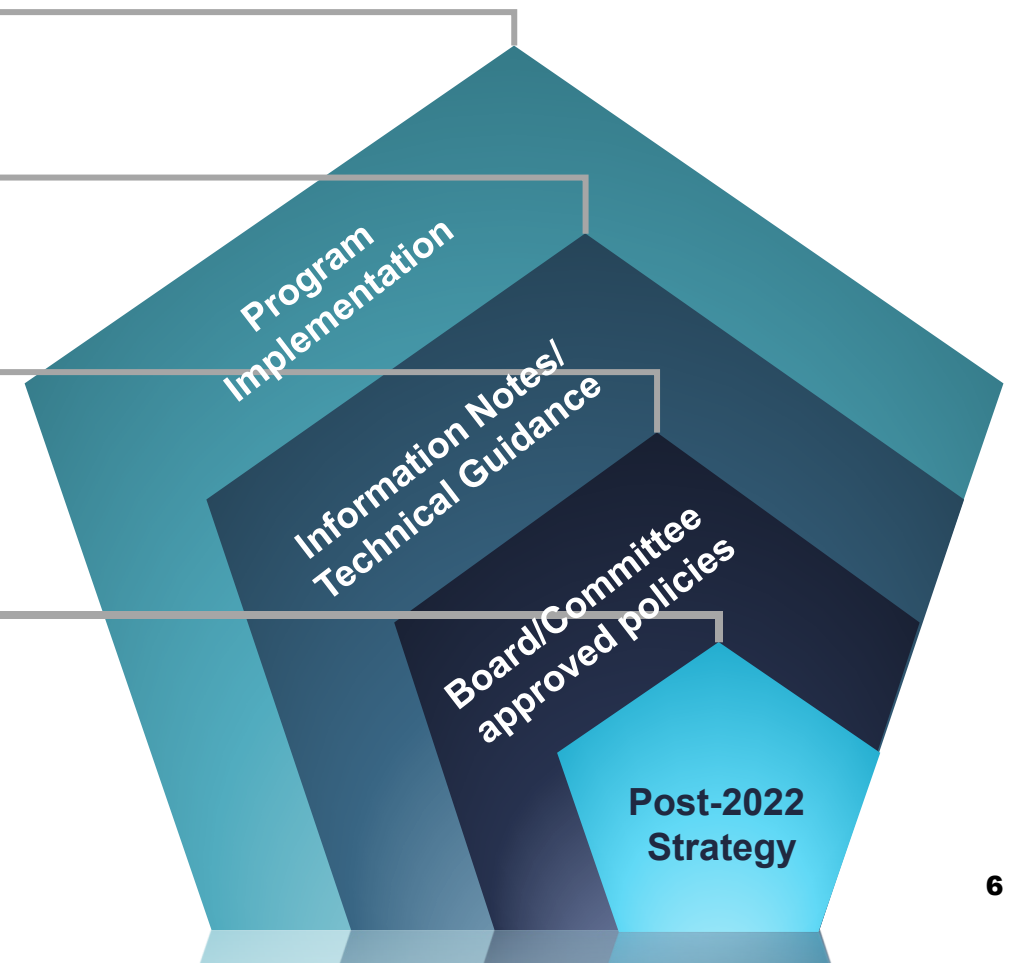
Post-2022 Strategy: How it comes together

Operationalizes Global Fund allocations in line with the direction of the strategy and policies

Provides guidance for applicants, including relevant policy requirements and guidance

Outline high-principles, approaches and/or requirements, guide implementation –e.g., eligibility, allocation methodology, STC, COE, CFP

Strategy Vision, Mission, Primary Goal, Mutually Reinforcing Contributory Objectives, Evolving Objective and Partnership Enablers

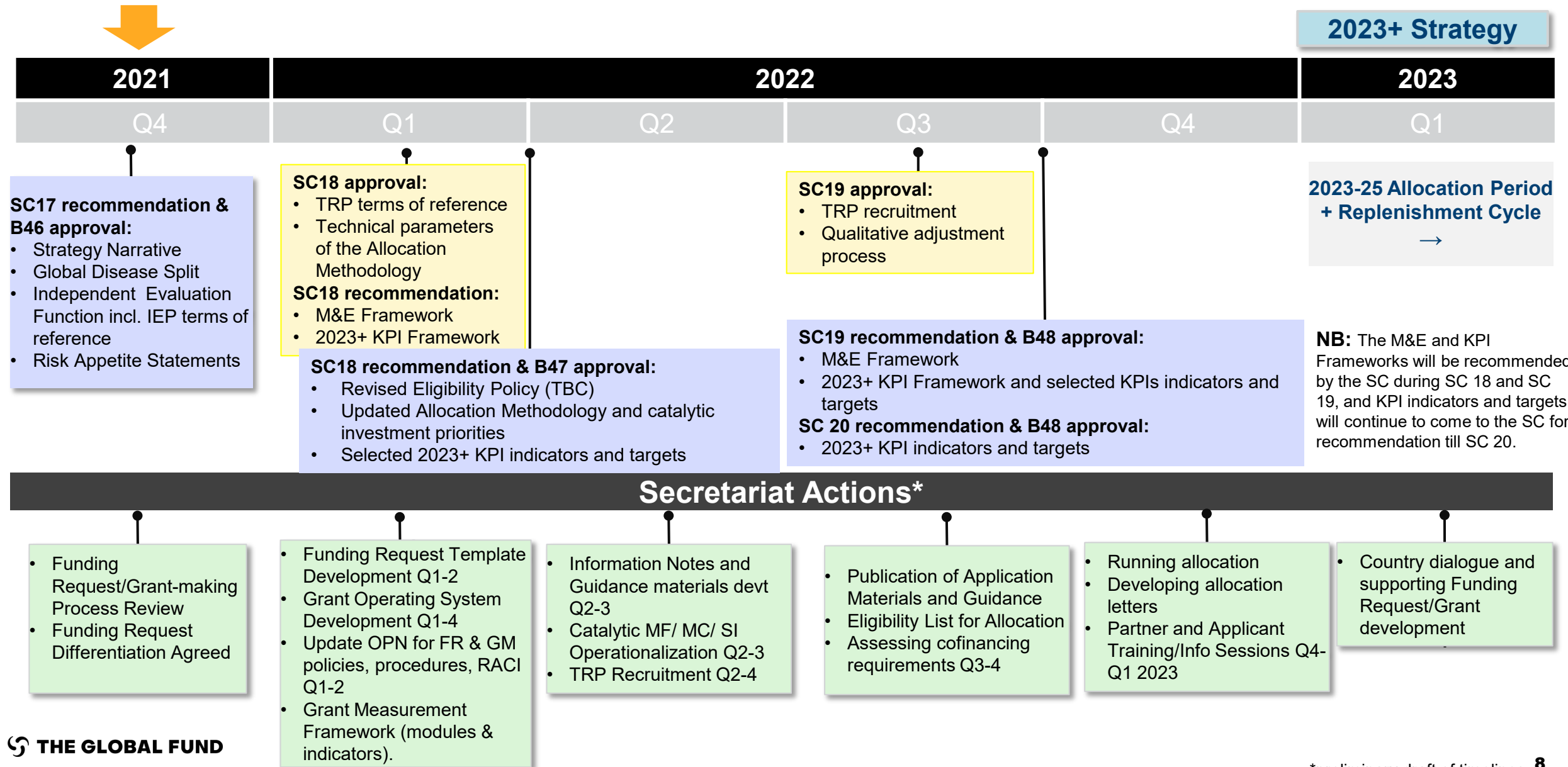


Overview of critical activities to prepare for the new Strategy and next cycle of grants

- As we finalize the next Global Fund Strategy, it is essential we prepare for effective implementation in the 2023-2025 cycle of grants.
- This deck focuses on preparation and launch of the next cycle of grants, noting focus on implementation beginning in 2024 will come later in the cycle.
- A large number of SC and Board decisions in 2021-2022 are required to successfully launch the next cycle of grants, as well as significant Secretariat preparations.
- The following slides outline the critical SC and Board decisions that will update the Global Fund's operations for the new Strategy and build upon the SC's workplan, and outlines Secretariat work with partners to prepare allocations, funding request materials, guidance for country dialogue, grant design, and review and approval in 2023.



SC/Board decisions and related Secretariat actions need to launch the next cycle of grants



Overview of roles of SC/Board and Secretariat

SC/Board Decisions

Secretariat Action

What is our Strategy 2023-2028?

Approval of Strategy Narrative – SC17 and B46

Integrates strategic priorities into funding request design, information notes, guidance material, grant review criteria, catalytic funding, and overall Secretariat priorities.

Who is eligible?

Approval of the revised Eligibility Policy – SC18 and B47 (TBC)

Gathers data and makes eligibility determination for allocation period. Publishes eligibility list annually.

What is our allocation methodology 2023- 2025? What is the GDS? What is the QA process?

Approval of GDS - SC17 and B46, updated allocation methodology SC18 and B47, and QA process –SC19.

Gathers data and runs allocation after replenishment, using funding available as determined by AFC and approved by the Board.
Communicates allocation amounts to countries in allocation letters.

What are the catalytic investment priorities?

Approval of catalytic investment priorities – SC18 and B47

Operationalizes matching funds, multi-country funds, strategic initiatives. Communicates designated MF amounts and conditions to relevant countries in allocation letters.

What is the design of the new evaluation function? What is the mandate of the IEP?

Approval of independent eval function – SC17 and B46

Operationalizes Secretariat role in supporting the new evaluation function, evaluation calendar and SC oversight of evaluation.

Overview of roles of SC and Secretariat

SC/Board Decisions

Secretariat Action

What is the mandate of the TRP?

Approval of the TRP ToR – SC18

Supports revision of TRP Terms of Reference. Manages TRP recruitment process. Updates the funding request review process and implements new review criteria. Trains TRP members.

How will the performance of the organization be monitored and evaluated?

Approval of the +2023 KPI/M&E Frameworks – SC18, SC19 and B48

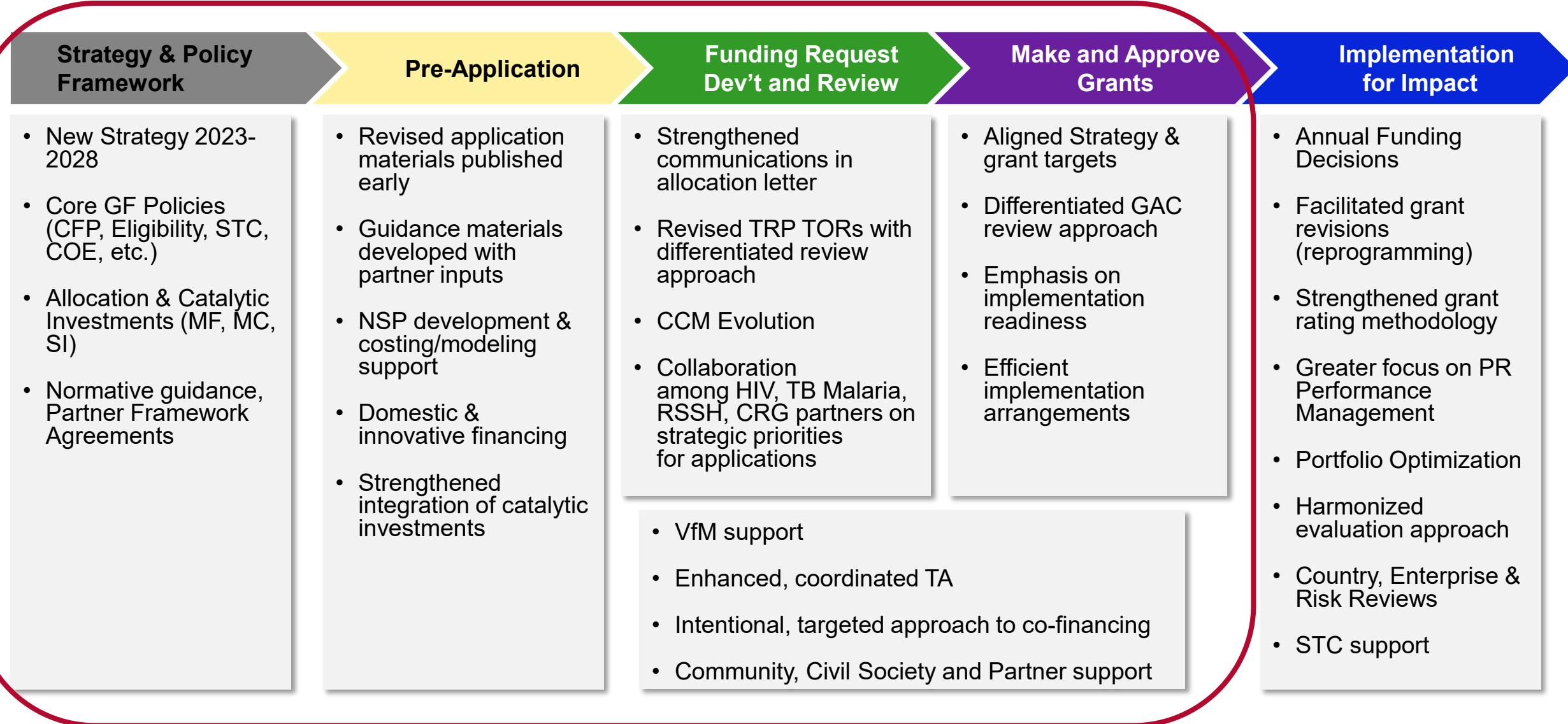
Develops methodology for measuring KPIs, measures and reports on success to Board and SC including targeting areas for performance improvement.

What is the risk appetite of the Global Fund?

Approval of the Risk Appetite Statements - SC17/AFC17 and B46

The Secretariat operationalizes the risk appetite framework and makes trade-off decisions around key organization-wide risks within the Board-approved risk appetite to improve the likelihood of achieving strategic objectives laid out by the Board

Overview of Secretariat Preparations for 2023-2025 Grant Cycle



Upcoming SC recommendations and SC/Board decisions needed to launch next funding cycle

SC Meeting

17th SC (October 2021)

- SC recommendation of the Strategy Narrative to the Board.
- SC recommendation on the Global Disease Split for the 2023-25 allocation methodology
- SC recommendation on the design and details of the Independent Evaluation Function
- SC recommendation of the terms of reference for Independent Evaluation Panel (IEP)
- SC recommendation on amended Risk Appetite Statements

18th SC (March 2022)

- SC recommendation on revised Eligibility Policy – if recommended for change.
- SC decision on the technical parameters of the 2023-2025 allocation methodology
- SC recommendation of the 2023-2025 Allocation Methodology
- SC recommendation of the catalytic funding priorities(e.g., matching funds, multi-county and SI's)
- SC decision (or recommendation depending on scope) on TRP terms of reference
- SC recommendation on the Monitoring and Evaluation (M&E) Framework
- SC recommendation on the 2023+ KPI Framework

19th SC (July 2022)

- SC decision on the qualitative adjustment process for the 2023-2025 allocation
- SC decision on the appointment of TRP members
- SC recommendation on the Monitoring and Evaluation Framework
- SC recommendation on the 2023+ KPI Framework and selected KPI indicators and targets

20th SC (October 2022)

- SC recommendation on 2023+ KPI indicators and targets

Board Meeting

46th Board meeting (November 2021)

- Board approval of the Strategy Narrative
- Board approval of the GDS for the 2023-2025 Allocation Methodology
- Board approval of the design and details of the Independent Evaluation Function and terms of reference of IEP
- Board approval of Risk Appetite Statements

47th Board meeting (May 2022)

- Board approval of revised Eligibility Policy – if recommended for change.
- Board approval of 2023-2025 Allocation Methodology
- Board approval of catalytic investment priorities
- Approval of selected 2023+ KPI indicators and targets (TBC)

48th Board meeting (November 2022)

- Board approval of the M&E Framework
- Board approval of the 2023+ KPI Framework
- Board approval of 2023+ KPI indicators and targets

Other SC recommendations and SC/Board decisions

SC Meeting	Board Meeting
17th SC (October 2021) <ul style="list-style-type: none">• SC decision on TERG use of Strategic Initiative funds – EDP• SC recommendation on non-eligible countries in crisis: 4th exceptional funding request for Venezuela• SC recommendation on Adjustments to 2017-2022 KPI's	46th Board meeting (November 2021) <ul style="list-style-type: none">• Board approval of non-eligible countries in crisis: 4th exceptional funding request for Venezuela• Board approval on Adjustments to 2017-2022 KPIs
18th SC (March 2022) <ul style="list-style-type: none">• SC recommendation of wambo.org pilot for non-grant financed orders (TBC –may be SC20)*	47th Board meeting (May 2022) <ul style="list-style-type: none">• Board approval of wambo.org pilot or non-grant financed orders (TBC)

Conclusions

- A large number of SC and Board decisions in 2021-2022 and beyond are required to successfully launch the next cycle of grants, as well as significant Secretariat preparations.
- SC/Board decisions and Secretariat preparations are made to implement the new Strategy, while country decisions about specific prioritization, funding, implementers etc. are informed by Global Fund requirements and guidance but are made at country level based upon unique country context, and then reviewed by TRP, GAC and the Board.
- We will update the SC at the Spring 2022 meetings on lessons from 2020-2022 cycle and preparations for the Funding Request/Grant-Making process.

