

## **Message from the Global Fund Secretariat on the Additional Safeguard Policy**

In 2023, the Secretariat requested the Office of Inspector General (OIG) to conduct an advisory review on the application and implementation of the Additional Safeguard Policy (ASP).

The Secretariat thanks the OIG for their efforts and appreciates the collaborative approach taken with the Secretariat during the advisory, which also included gaining valuable insights from in-country stakeholders of countries currently under ASP. The outcome of the advisory has identified several key areas where the Secretariat can improve the application and implementation of ASP. Many of the key areas identified in the advisory align well with our already ongoing efforts to make needed improvements both within the Secretariat and in our engagement with country stakeholders. This OIG ASP Advisory also has identified good practices and lessons learned which will be leveraged across portfolios.

In parallel to the OIG advisory, the Secretariat has already made gains in performing an in-depth review of countries currently under ASP. The Secretariat has taken a considered and thorough approach to this review, which recognizes the unique context and complex risk landscape of each country. Its objective – to ensure the rationale underpinning the invocation and retention of ASP in a given country is clearly defined and there is a formulated exit criteria with explicit milestones which must be achieved before the country can safely transition out of ASP. This exercise requires a cross-Secretariat response, which demands extensive consultation primarily from departments and divisions of Finance, Legal, Risk, Supply Operations and Grant Management. Whilst there were initial delays in progress due to Grant Cycle 7 priorities, the Secretariat is committed and on track to complete this process by Q4 2024. To complement the outcome of this process, the Secretariat will work with country stakeholders to develop an ASP exit plan which is fully aligned with their ASP exit criteria, thus giving greater visibility of the actions required to enable the country to achieve key milestones.

In addition to the review of each ASP exit criteria and establishing a corresponding ASP exit plan, the Secretariat will respond to the outcomes of this advisory through improvements in four key areas: monitoring, transition planning, capacity building, and internal governance.

An effective and transparent end-to-end implementation of the ASP must be supported by clear and systematic monitoring. Whilst the Secretariat currently does not systematically monitor progress towards achieving an ASP exit criteria, countries under ASP are routinely assessed on an annual basis as part of our operational risk management mechanism. Following this advisory outcome, we recognize that there are opportunities for improvements in both the approach to monitoring the ASP and how the monitoring outcomes are communicated to country stakeholders. Consequently, the Secretariat will establish a

monitoring strategy which provides a clear framework of the frequency and scope of monitoring a country's progress in meeting its ASP exit criteria. The outcome of this monitoring strategy will also serve as important inputs to support a country's transition towards ASP revocation by identifying progress made, flagging specific challenges and need for course correction, and/or identifying additional needs that require targeted interventions.

The advisory also noted that capacity-building activities must become a priority to support the transition of countries out of ASP. The Secretariat has identified several key areas of Principal Recipient (PR) capacity which should be in place for grant implementation, including operational governance, implementation effectiveness and human resource management, as well as different capacity building approaches which can be deployed to address them. The Secretariat, alongside the Country Coordinating Mechanism (CCM) and PRs, will identify mechanisms to provide the necessary technical and coordination expertise to support country-led capacity building efforts, working with additional partners where appropriate and tailored to the unique country context.

The OIG advisory recognized that the introduction of the revised ASP Operational Policy Note (OPN) in 2019 demonstrated a notable improvement in ASP governance and related process. Nevertheless, the Secretariat acknowledges that there are areas for increased efficiency in internal governance and communication protocols. To respond to this issue, the Secretariat recently appointed a new team as business process owner of the ASP who will now oversee the ASP end-to-end process (including e.g., invocation, implementation and transition to revocation), ensuring that the necessary guidance and support is in place going forward. This will also be complemented by a revised approach to communication with country stakeholders, with mechanisms in place to ensure greater transparency and clarity in all aspects of ASP, with agreed milestones for engagement with country stakeholders through the course of a grant life cycle.

The ASP remains a critical tool for the Global Fund, enabling the Secretariat to apply additional measures to ensure the accountable use of Global Fund investments, preventing interruption in grant implementation, and protecting the gains made in the fight against the three diseases. The Global Fund applies ASP as a last resort in instances where the portfolio and/or disease-specific risks warrant the Secretariat to take a primary role in determining the implementation arrangements for a given portfolio. Given the importance of this policy, the Secretariat welcomes the advisory report outcomes. Through the identified good practices, lessons learned and opportunities for improvement, this advisory report has provided important insights on areas for reform in the application and implementation of the ASP which the Secretariat has already initiated and will continue to address with the necessary urgency.