



Audit Report

Audit of the Effectiveness of Global Fund Model in Delivering the New Strategy

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Audit of the Effectiveness of Global Fund
Model in Delivering the New Strategy

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1. Executive Summary

The Global Fund Model has been pivotal in mobilizing resources, fostering partnerships, and implementing health programs to end the epidemics of AIDS, tuberculosis (TB), and malaria as well as strengthening health systems. Since its creation in 2002, the Global Fund has mobilized US\$84 billion to fight the three diseases. Significant progress has been achieved with more than 59 million lives saved and a decreased number of deaths and new infections across the three diseases.

Implementing the Strategy in a challenging context

The 2023-2028 strategy aims to continue and accelerate progress to end the three diseases and achieve the United Nations Sustainable Development Goal of ending the three epidemics by 2030. The strategy acknowledges the importance of reducing new infections by reducing human rights barriers to access services and involving communities affected by the diseases. The Global Fund's new Strategy emphasizes accelerating progress for enhanced impact and sustainability with key priorities on resilient and sustainable systems for health (RSSH) and pandemic preparedness and response (PPR), as well as mobilizing domestic resources.

The Global Fund strategy is ambitious and reflects the broader needs of the Partnership and respective constituencies. The new Strategy specifies areas of increased focus, targeting areas with key dependencies on partners and with varying levels of control. Its implementation becomes even more challenging in a resource-constrained context as reduced fiscal space and multiple priorities limit both domestic and donor resources.

Challenging global and country contexts add complexity and make strategy implementation even more difficult. The disruption caused by the COVID-19 pandemic and emerging threats – including climate change and biological challenges, as well as security concerns in many countries – have affected HIV/AIDS, TB and malaria (HTM) programs. Limited capacity of country implementers, leadership and the fragmented partner landscape make the implementation of RSSH and PPR priorities more difficult. Lastly, the legal environment compounds these issues, with many countries having laws against key populations affect human rights and the work with communities affected by diseases.

To respond to these challenges, the Global Fund developed a comprehensive new Strategy to get progress back on track. The strategy was approved by the Board in November 2021 and will be implemented over two grant cycles, benefiting from the resources from the seventh and eighth replenishments.

Leveraging strengths of the Global Fund Partnership Model

The Global Fund Model is a leading example of international collaboration and innovative financing mechanisms in the fight against the three diseases. The Global Fund Model, including in-country, technical and development partners, has been effective in mobilizing resources, fostering partnerships, and delivering impactful results. The model necessitates operating with many trade-offs and its effectiveness depends on supporting countries to find the right balance between competing priorities and conflicting principles. For example, due to financial resource constraints, there are competing priorities between the desire to expand primary prevention efforts and the pressing need to maintain and expand testing and treatment.

The Global Fund operates under the principle of country ownership, allowing recipient countries a central role in determining their health priorities and strategies in addressing health challenges. This has ensured that interventions are tailored to local contexts, promoting sustainability and long-term impact, but can limit the Global Fund's ability to be prescriptive on key strategic priorities like work with key affected populations and human rights due to the specific political, social and economic context at the country level.

At the core of the Global Fund's success is its ability to forge partnerships across sectors: governments, private sector entities, civil society organizations, and affected communities all play crucial roles in the decision-making and implementation processes. This inclusive approach has ensured a holistic and sustainable response to health challenges, but success depends on each of the partners delivering on their own mandate and the Global Fund's ability to mobilize and coordinate this effort.

Maintaining an organizational structure with no country presence leveraging country implementers and partners has been a key feature of the Global Fund Model. This ensures that more than 90% of the funds received reach the in-country beneficiaries. This structure promotes an efficient model but might limit the Global Fund's ability to directly support some activities, which require supervision, especially when capacity is not fully developed.

This review assessed the Global Fund Model in relation to the strategic ambition. The strategy is implemented through grants and the review assessed how the strategic priorities have been incorporated in Grant Cycle 7 (GC7) grants. Financial and human resources – another key lever for strategy implementation – have been reviewed. Lastly, the audit examined the Global Fund approach to partnership engagement, as well as the mechanisms to oversee and monitor strategy implementation.

1. Executive Summary

Key areas of focus

Well-planned strategies developed for incidence reduction. Addressing implementation challenges from previous cycles, reducing human rights barriers and engaging communities in the implementation and monitoring are key levers for success.

Since its creation, the Global Fund Model has been successful in fighting the three diseases. According to the 2023 Global Fund results report, the percentage of people living with HIV on antiretroviral treatment has increased to 78% in 2022, from 22% in 2010. TB treatment coverage has improved, and the treatment success rate remains consistently high at 86% between 2012 and 2020. Mosquito net population coverage has also improved from 30% in 2010 to 55% in 2021.

The current strategy acknowledges that to end the three diseases there needs to be more focus on reducing new infections. The Secretariat has put in place in a timely manner generally well-designed strategies to reduce incidence for each of the three diseases, and has complemented these with enhanced processes to design grants focused on prevention.

HIV strategies are affected by the ongoing tension between treatment and prevention, as well as the need to align various initiatives internally. The approach to fighting malaria has clearly identified priorities but there are opportunities for the creation of consolidated, prioritized, and differentiated plans for high burden countries for incidence reduction. TB strategies have also been well defined, but implementation success depends on execution of workstreams relying on future advancements, highlighting a potential risk that requires proactive monitoring and follow-up.

The success of these efforts will very much depend on their effective implementation and leveraging the lessons from previous implementation cycles. Addressing human rights barriers and working with community-based organizations are also key levers for successful implementation of incidence-reduction strategies.

There has been an inconsistent application of gender and human rights assessments in GC7 funding requests, with 53% of funding investments not targeted to address gender issues.¹ The TRP observed that in some instances, human rights and gender assessments were either poorly reflected in funding requests, or not used at all. The strategy emphasizes the need to empower communities and to engage with community-based organizations/community-led organizations (CBOs/CLOs), but there are capacity barriers and limitations in policies, tools and mechanisms for including these organizations in the implementation of grant activities.

There is increased funding for RSSH and PPR priorities, as well as updated processes and guidelines to include these activities in GC7 grants. Focusing on strengthening rather than supporting activities, working with the right in-country implementers and enhancing monitoring are critical to ensure sustainability of these complex interventions.

The new Strategy prioritizes areas to accelerate implementation progress for enhanced impact and ensuring financial and programmatic sustainability. While the Secretariat has made timely updates to policies, processes, and tools, concerns persist regarding sustainability for Pandemic Preparedness and RSSH interventions. The Global Fund contributes to strengthening of health systems by both directly investing in RSSH components and supporting disease-specific contributory RSSH investments. The new Strategy emphasizes the need to move gradually to interventions aimed at strengthening the health sector. With the significant scale up and complementarity of RSSH-PPR interventions between GC7 and C19RM investments, the Global Fund has increased its investment in system strengthening interventions at country level.

Pandemic Preparedness is a key evolving objective in the new Strategy. Benefiting from C19RM funds, the Global Fund has repurposed the investments from pandemic response to pandemic preparedness and response. There are sustainability concerns as this funding stream will end in 2025, affecting not only funding for countries but also for Secretariat staff responsible for PPR activities.

Implementing RSSH and PPR activities is inherently more challenging than the HTM grants for many reasons. In contrast to the three diseases, countries often lack a national strategy on systems strengthening. In cases where they are available, national health plans are often high level without sufficient detail to enable mapping out of investments. The implementer and donor landscape is also very fragmented with multiple entities in charge of various pillars of systems strengthening. Lastly, while partnerships have been well established for HTM both globally and at country level, they are yet to be well defined for RSSH investments.

The Global Fund contributes to strengthening health systems both through direct investments in RSSH components and through support for disease-specific contributory RSSH investments. Generally, the Global Fund contributes less share of direct investments in RSSH compared to HTM due to deliberate allocation decisions. The Global Fund allocates resources to HTM through a Board-approved methodology and countries make program split decisions including whether to dedicate funding to RSSH directly or contribute through disease interventions. While the Global Fund's direct investments in RSSH focus specific areas of strength and strategic relevance, country level prioritization due to overall funding landscape and health system limits the Secretariat's ability to guide the design of RSSH interventions to ensure alignment with the Global Fund strategy.

¹ Based on the Gender Equality Marker (GEM) scoring of funding requests by the Technical Review Panel (TRP)

1. Executive Summary

To mitigate these challenges, it is critical to adapt the implementation arrangements and enhance grant and strategic monitoring of RSSH interventions. Historically, the Global Fund has worked with national disease programs using various units in charge of RSSH components as sub-recipients. These arrangements have created integration issues and limited Principal Recipient oversight, which is one of the factors leading to typically low absorption on RSSH interventions.

Monitoring RSSH interventions has been a constant focus for the Global Fund. Indicators have been routinely refined and defined both at grant level and strategic level through the Modular and KPI frameworks. The Global Fund has 11 RSSH KPIs to track progress in building integrated, resilient, and inclusive health systems (including those at the community level) for 2023-2028. Five KPIs focus on high-impact and core countries, assessing areas such as service delivery, information systems, and product availability, while two others monitor global product introduction and supply. However, the remaining four KPIs, which rely on targeted health facility assessments, are based on a cohort of 18 countries. While the Board endorsed the decision to select a cohort of 10-20 priority countries, the selection criteria, taking into account multiple factors, resulted in the selection of countries representing 32% of the Global Fund's total direct RSSH investment for GC6.

The Global Fund has been successful in raising funds and has built capabilities to play a more active role in domestic resource mobilization. Maximizing the use of set asides, embedding the Value for Money framework and monitoring co-financing commitments are critical to supporting strategy implementation.

The Global Fund's Seventh Replenishment, though the largest amount raised to date, fell short of the US\$18 billion target, resulting in trade-offs and adaptations to minimize the impact on strategic priorities. Over 70% of GC7 grants have been approved and signed, giving the Secretariat a clearer view and an opportunity to further analyze prioritization and trade-offs at the country level. This analysis will help assess implementation risks, identify strategic areas for funding scale-up and clarify achievable goals with available resources.

The application of Value for Money (VfM) is critical for achieving health outcomes with limited resources, but efforts to embed the VfM framework face challenges due to competing priorities. However, the Global Fund Secretariat is using the findings of the OIG VfM audit, along with other VfM assessments conducted by the Secretariat, to develop and begin implementing a road map for prioritizing and operationalizing the dimensions of the VfM framework in core grant processes.

The bilateral set asides increased by 40% compared to the previous replenishment. The Secretariat established the Bilateral Set-aside Core Group to address challenges related to coordination and alignment of bi-lateral set asides, aiming to improve planning and operationalization of GC7 set asides. Better coordination and alignment with bilateral partners are critical to maximize the impact of set asides.

Reduced fiscal space and limited capacity of Public Financial management challenges in countries affects the Global Fund's ability to catalyze domestic financing. Domestic resources are important both from a systems strengthening perspective, but also to directly support the HTM programs such as procurement of critical commodities, strengthening of the integration of treatment into health insurance schemes and financing specific interventions. If successful, this will ensure sustainability and will allow the Global Fund to direct more funding to prevention and incidence-reduction activities. Global Fund monitoring of country commitments can be strengthened to support domestic resource mobilization and mitigate the programmatic effect of not meeting commitments. For GC7, the Secretariat has taken significant steps to enhance the implementation of co-financing, including how requirements are set, data governance, country accountability on commitments through mandatory commitment letters, improved monitoring, modifications to KPIs to track co-financing, and integration of co-financing into risk management practices. The operational guidance on co-financing for GC7 has been updated, including clarification of the approach to assessing compliance and minimum data requirements.

The Global Fund has continuously adapted its structure and resourcing model to align with strategy requirements. There is a need to further optimize the deployment of human resources, simplify internal processes and integrate operations with other global health partners.

The Global Fund has adapted its structures to align internal capabilities with the strategic requirements. A new Health Finance department has been established to support Global Fund efforts on domestic resource mobilization. The Community, Rights and Gender Department has been reorganized to better support strategic efforts on human rights and, community engagement. Various other adjustments in the technical teams for HIV, TB and malaria, as well as Supply Operations, have been made to better align with the strategy.

The Global Fund Secretariat has increased the capacity of technical teams² to align internal capabilities with the strategic requirements. There has been a significant increase in the size of technical teams over the years compared to the Country Teams, which have grown at a relatively lower rate. The success of this resourcing model depends on constantly reviewing the optimal balance between Country Teams and technical teams, as well as effective advice and oversight from technical teams.

² This includes, but is not limited to, HIV, TB, Malaria and RSSH teams in the Technical Advice & Partnerships department, Community, Rights & Gender, Health Financing, Supply Operations and Programmatic Monitoring department.

1. Executive Summary

The Global Fund workforce has grown by 43% between 2016 and 2023. The substantial rise in full-time equivalent (FTE) positions was primarily due to increased funding from C19RM. This influx necessitated the recruitment of additional staff (over 100 FTE) to manage the increased workload. In November 2022, the Board approved extending the utilization of C19RM funds until 31 December 2025. In a resource-constrained environment, prioritizing resource deployment in line with our Global Fund investments is critical to deliver on key priorities. To maintain the organization's global presence and ensure funding for interventions for key and vulnerable populations disproportionately affected by the three diseases, and to ensure a responsible transition from Global Fund funding, the Global Fund uses 25% of the Secretariat's Grant Management Division Country Teams resources on 9% of our investments covering three regions including 45 countries.

Simplifying processes is another way to optimize the use of human resources. In 2022, the Secretariat ran a process hackathon survey to collect ideas on improving processes. The process hackathon, which was initiated in response to the results of a staff engagement survey, used a bottom-up approach to gather ideas from staff and consultants and propose solutions for all of the Global Fund's business processes. While the hackathon approach was a good initiative with multiple positive outcomes, a systematic assessment of internal processes, their complexity and contribution to strategic objectives can help the Secretariat prioritize automation, digitization and the adoption of new tools and technologies to improve process efficiency and effectiveness.

Donor governments are faced with multiple financial priorities as the macroeconomic context is affected by ongoing conflicts, inflationary trends and limited fiscal space. Maximizing the assistance for health becomes critical and the need to integrate operations between different organizations more pressing. The Global Fund has started exploring working closely with other health partners, but accelerated efforts will likely lead to efficiencies and minimize burden on countries.

The Global Fund's approach to ensuring grants are aligned with the strategy for GC7, its engagement with in-country, technical, and development partners to support the delivery of the new Strategy, and its governance and oversight mechanisms to monitor, prioritize, and adapt the strategic priorities are partially effective. However, the Global Fund's mechanisms to maximize available financial and human resources and catalyze domestic resources to deliver the new Strategy require significant improvement.

In response to the report, the Global Fund Secretariat did not propose specific Agreed Management Actions to be tracked by the OIG as it would partly duplicate ongoing efforts and actions tracked through SR2023 and other AMAs from past OIG audits.

In areas not covered, the Secretariat provided a management response detailing ongoing and planned actions to evolve the Global Fund model, and stated that it is committed to consider the audit findings in an intentional and considered manner. Refer to Annex 3 for details.

Recognising that the Board is likely to take a number of significant decisions over the next two years, the OIG will consider, on a risk basis, to conduct a follow-up audit of these efforts in early 2026.

2. Background

2.1 Overview of the Global Fund Model and core principles

The Global Fund is a financing institution set up to fight AIDS, TB and malaria in 2002. Based in Geneva and not in implementing countries, the Global Fund raises money from donor governments and private sector organizations, investing in countries to fight the three diseases.

Country ownership is a core principle of the Global Fund Model. It involves not only implementer governments but also communities affected by the diseases, civil society, and other stakeholders. This concept ensures that health programs are tailored to the specific needs of each country and are sustainable in the long term. The Global Fund works closely with these partners to mobilize international and domestic resources, advocate for enabling environments, and support the implementation of national programs.

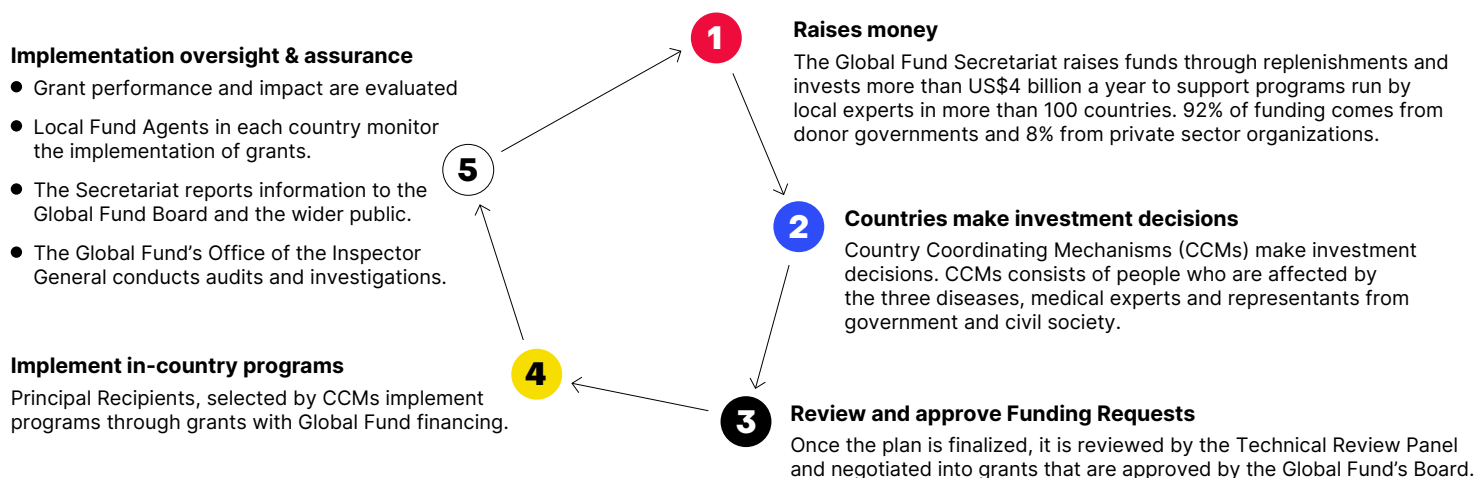
The Global Fund Model functions through an inclusive partnership that raises and invests additional resources to support country-owned plans in the fight against HIV, TB, malaria and strengthening of health systems. The funding model is based on the principle of country ownership, through which countries determine how to use the funds and take responsibility for fighting the diseases in their unique contexts. The model relies on collaboration among multiple partners, each with distinct roles and accountabilities, to achieve optimal results and impact.

Raises money: Every three years, the Global Fund undertakes a replenishment of resources to deliver its strategy. Eligible countries, who received an allocation, are invited to develop funding requests based on their national strategies. Country allocations are calculated using a Board-approved methodology that prioritizes funding for countries with the highest disease burden and lowest economic capacity, while accounting for key and vulnerable populations disproportionately affected by the three diseases. Global Fund resources are intended to be additional and catalytic, complementing domestic and other donor resources to accelerate progress towards health goals.

Approves grants: Countries submit funding requests aligned with their national strategies. A Technical Review Panel (TRP) assesses the funding request. After this review, the Secretariat works with the countries to prepare grants for review by the Grant Approval Committee (GAC). Finally, grants are approved by the Board.

Oversees grant implementation: Once funding is allocated and country-owned requests are approved, the Global Fund oversees implementation of the grants. This process includes ongoing engagement with implementers and country stakeholders, progress reporting and assessment of grant performance, annual funding decisions and grant revisions.

FIGURE 1
Overview of the Global Fund Model and core principles (illustrative not exhaustive)³



Other forms of Global Fund support:

- **Catalytic Investments:** Investments that aim to complement country allocations by driving focus to priority areas that are under invested or can not be achieved through country allocation alone.
- **Technical Cooperation:** Technical Cooperation to help countries design, implement and evaluate programs to fight HIV, TB and malaria.

The Global Fund core principles



Partnership



Country Ownership

³ The Global Fund Refresher document (February 2024) – internal Secretariat staff document

2. Background

2.2 The Global Fund Structure

One of the founding principles in the Global Fund framework document is that it is a “financial instrument, not an implementing entity”. Therefore, the Global Fund bases its investments on programs that reflect and respect country-led formulations and implementation processes. As such, the structure reflects a unique partnership approach that includes a multi-layered structure designed for effectiveness and inclusivity.

The Board & its committees: The Global Fund is governed by a Board, which is the supreme governing body responsible for the strategic direction, financial commitments, risk management, and partnership engagement. The Board includes representatives from implementer governments, donors, non-governmental organizations, communities affected by the diseases, the private sector, and private foundations. Technical partners including WHO, UNAIDS, and disease partners, additional Public Donors and the World Bank are represented on the Board as ex-officio non-voting members, along with the Board Chair, Vice-chair and the Executive Director of the Global Fund.

Management: The **Secretariat**, based in Geneva, is responsible for the day-to-day operations of the Global Fund, including grant implementation oversight, technical support, policy development, and fundraising.

In-country structures:

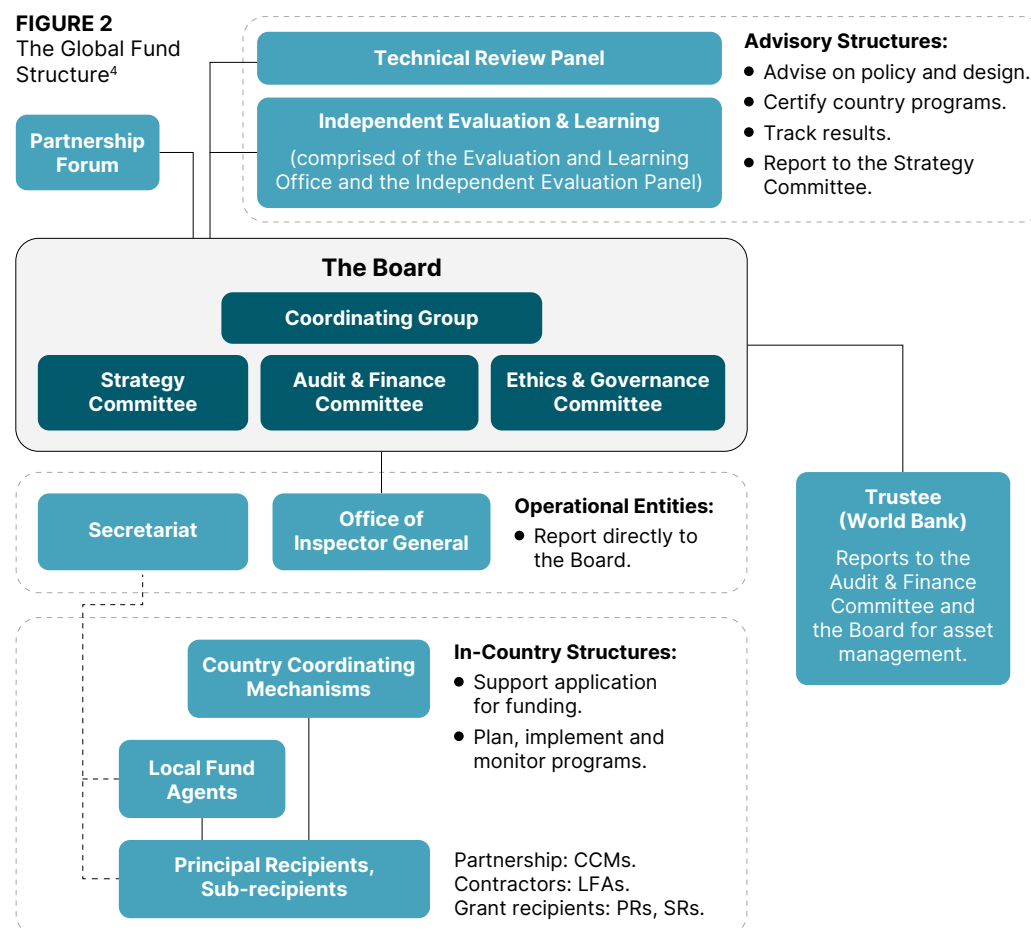
- **Country Coordinating Mechanisms** are multi-sectoral partnership bodies at country level that coordinate the development and submission of funding requests. They consist of people who are affected by the three diseases, medical experts and representatives from government civil society, technical and development partners and academia.
- **In-country implementers:** The Global Fund relies on implementer governments, private sector, local and international NGOs, civil society and community-based organizations to implement programs supported through grants as either Principal Recipients or sub-recipients.
- **Local Fund Agents** provide independent assessment, verification and advisory services before, during and after the implementation of a grant.

Independent Oversight: The Office of the Inspector General (OIG) is responsible for providing the Board with independent and objective assurance over the design and effectiveness of the controls in place to manage the key risks impacting Global Fund-supported programs and operations.

Advisory structures: The independent Technical Review Panel reviews funding requests for strategic focus and technical soundness, and makes recommendations for grant-making. The TRP also makes strategic recommendations to the Board, through the Strategy Committee, based on their review of funding requests.

The Independent Evaluation Panel (IEP) is an advisory and oversight panel that is independent from the Secretariat and accountable to the Global Fund Board through the Strategy Committee. The IEP is expected to work with the Evaluation & Learning Office (ELO) to strengthen the independence, credibility, and utility of evaluations through provision of quality assurance and assessment.

Trustee (World Bank): Funds contributed to the Global Fund are held in a trust account at the World Bank. The Trustee reports to the Audit & Finance Committee and the Board for asset management.



4 The Global Fund Refresher document (February 2024) – internal Secretariat staff document

2. Background

2.3 Progress against AIDS, TB and malaria

The Global Fund partnership has played an important role in the fight against HIV, TB and malaria and in building a healthier and more equitable world. Efforts by governments, communities and global health partners have resulted in significant progress in the fight against the three diseases.

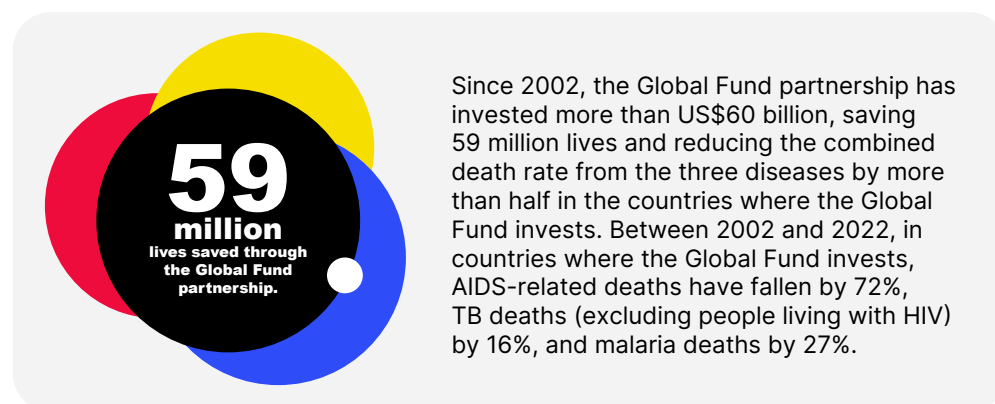
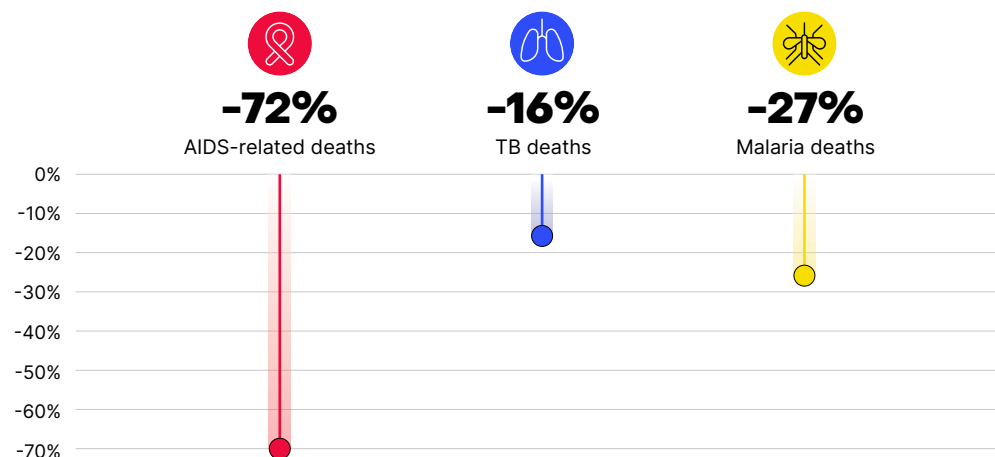


FIGURE 3
Reduction in deaths across the three diseases (2002 to 2022)⁵



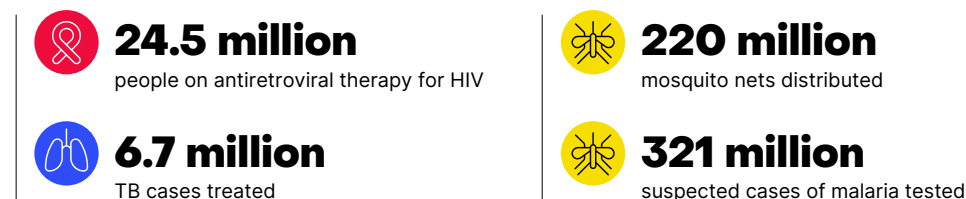
State of the fight (as per the Global Fund Results Report 2023)

HIV: The Global Fund provides 28% of international financing for HIV programs. In countries where the Global Fund invests, HIV programs largely recovered from the impact of COVID-19. The number of people reached with HIV prevention services increased by 22% to 15.3 million in these countries. While new infections have gone down by 38% globally since 2010 – from 2.1 million to 1.3 million in 2022 – progress has stalled in some jurisdictions. New infections, particularly among key and vulnerable populations, have risen in Latin America (8% increase since 2010), in Eastern Europe and Central Asia (49% increase since 2010) and in the Middle East and North Africa (61% increase since 2010).

Tuberculosis (TB): The Global Fund provides the largest share – 76% – of all international financing for TB. In 2022, TB programs accelerated their recovery, not only erasing the losses of 2020 but exceeding the pre-COVID-19 results of 2019. There was an increase of 1.4 million more people diagnosed and treated in 2022 compared to 2021. TB treatment coverage increased from 44% in 2010 to 59% in 2021, and the TB treatment success rate reached 86% in 2020. While there has also been progress against the WHO END-TB strategy milestones, the progress remains slow and is off track to achieve the 2025 and 2030 global targets.

Malaria: The Global Fund provides 65% of all international financing for malaria programs. In 2022, there was increased testing for suspected cases of malaria with 321 million cases tested and 165 million treated. In countries where the Global Fund invests, a total of 220 million mosquito nets were distributed in 2022. However, climate change and extreme weather events threaten progress.

Key results for 2022: In countries where the Global Fund invests



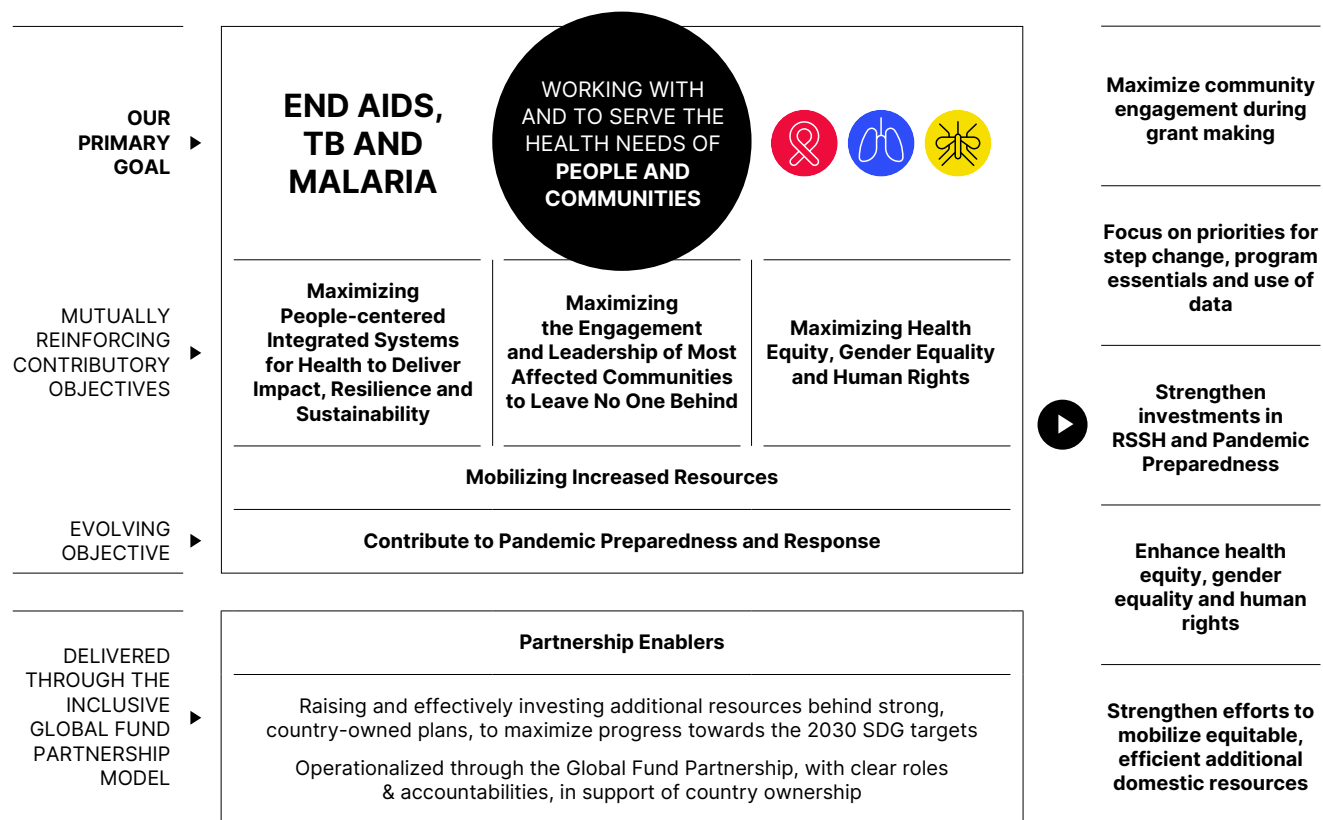
⁵ Source: Donor report. Germany and the Global Fund to Fight AIDS, Tuberculosis and Malaria (2023)

2. Background

2.4 Overview of the Global Fund Strategy (2023–2028)

The new Global Fund Strategy is titled “Fighting Pandemics and Building a Healthier and More Equitable World” and covers the period 2023 to 2028. The strategy outlines the Global Fund’s vision for a world free of the burden of AIDS, tuberculosis, and malaria, with everyone having access to quality and equitable health care. The primary goal of the Global Fund is to end AIDS, TB and malaria (HTM). However, achievement of the primary goal is supported by four mutually reinforcing contributory objectives and an evolving objective.

FIGURE 4
2023–2028 Global Fund Strategy Framework Overview⁶



Primary goal

To eliminate HIV, TB and malaria as public health threats, the Global Fund aims to intensify its efforts to make strategic, people-centered investments that accelerate progress. This includes reducing new infections across all three diseases, addressing systemic barriers, and embracing innovative prevention strategies. Ending the threat of HTM is the Global Fund’s founding mission and the ultimate measure of success.

Mutually reinforcing contributory objectives

To achieve its primary goal, the Global Fund aims to focus on strengthening health systems to support the holistic health needs of individuals. This includes investing in integrated, people-centered models of prevention, treatment, and care that address coinfections and comorbidities, moving away from siloed interventions.

The strategy also aims to amplify the involvement and leadership of affected communities. This is to ensure that no one is left behind and services are tailored to the specific needs of those most at risk.

The Strategy emphasizes the importance of prioritizing health equity, gender equality, and human rights in HTM interventions. The Global Fund aims to expand use of data to identify and address inequities, scale up comprehensive programs to remove human rights and gender-related barriers, and utilize the Global Fund’s influence to challenge harmful laws, policies, and practices.

The new Strategy highlights the need to secure substantial funding, especially in the aftermath of the setbacks caused by the COVID-19 pandemic. Considering the fiscal constraints faced by implementing and donor countries, the Global Fund aims to draw on innovative strategies to mobilize additional domestic and donor resources. At the same time, the Global Fund aims to pursue greater value for money (VfM) to ensure that every dollar invested is utilized effectively.

6 Source: Fighting Pandemics and Building a Healthier and More Equitable World. Global Fund Strategy (2023–2028)

2. Background

Evolving objective

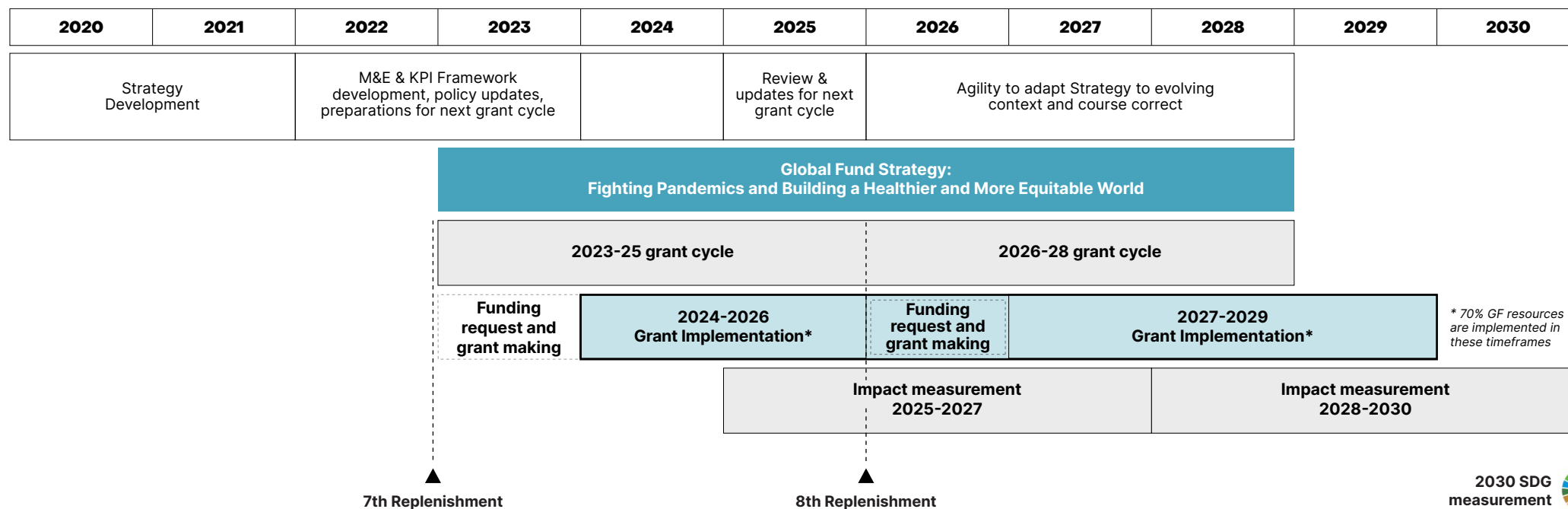
In response to changes in the global health context, the new Strategy introduced an evolving objective on pandemic preparedness and response (PPR). The Global Fund aims to contribute to the global pandemic response alongside its partners by strengthening health systems and HTM programs, supporting efforts to build front-line capacity for detection and rapid response to epidemics and pandemics, and addressing multifaceted health challenges arising from climate change.

Partnership enablers

The success of the new Strategy hinges on the active participation of all partners across the Global Fund partnership. Implementer governments, communities, civil society, technical partners, development partners, and the private sector each play a vital role in achieving impact. The new Strategy outlines the responsibilities and contributions of each partner to ensure transparency and shared accountability.

The Strategy covers two grant cycles (i.e., Grant Cycle 7 (2023-25) and Grant Cycle 8 (2026-28)) financed through the Seventh (held in 2022) and Eighth (planned for 2025) replenishments. The Strategy will deliver impact through to 2030. This is because over 70% of Grant Cycle 8 (GC8) grants will be implemented up to 2029 with the remainder ending in 2030 and beyond.

FIGURE 5:
Timeline of the new Strategy⁷



⁷ Source: Fighting Pandemics and Building a Healthier and More Equitable World. Global Fund Strategy (2023-2028)

3. Objectives, scope, methodology & ratings

Objectives

The overall objective of the audit is to provide reasonable assurance to the Global Fund Board on the adequacy and effectiveness of the Global Fund's model in delivering the new Strategy. Specifically, the audit assessed Global Fund's:

- 1 Approach to ensure grants are aligned to the strategy for Grant Cycle 7.⁸
- 2 Mechanisms to maximize available financial and human resources and catalyze domestic resources to deliver the new Strategy.
- 3 Engagement with in-country, technical and development partners to support delivery of the new Strategy.
- 4 Governance and oversight mechanisms to monitor, prioritize and adapt the strategic priorities.

Methodology

- Interviewed relevant stakeholders at the Secretariat, relevant technical and development partners at HQ and country level, and in-country implementers (as part of country deep dives).
- Reviewed documents and information including policies, procedures, systems, tools, and processes, Board and partner reports, donor/partnership agreements.
- Analyzed relevant Secretariat and technical partner datasets.
- Relied on past and ongoing OIG reviews and selected five countries for case studies.

Audit Scope

- 1 Board and Secretariat level mechanisms to monitor, adapt and prioritize strategy implementation.
- 2 Allocation and utilization of available financial resources including bilateral set-asides and embedding value for money throughout the grant life cycle.
- 3 Strategies for catalyzing domestic financing for health including co-financing.
- 4 Adequacy of Secretariat workforce to drive the new Strategy delivery.
- 5 Coordination mechanisms to leverage technical and development partners to support the delivery of the new Strategy.
- 6 Capacity of in-country implementing partners to deliver on the new strategic priorities.
- 7 Strategies for cascading the three year vision of success as defined by the respective strategy delivery working groups to Global Fund-supported in-country programs for GC7.

The audit covered the period January 2021 to February 2024. The audit also considered the design of future arrangements for the new Strategy implementation.

Scope exclusions

- 2023-2028 Global Fund Strategy development process.
- Secretariat mechanisms for grant implementation oversight and risk management.
- Design of Innovative Financing Mechanisms including Blended Finance, Joint Investments & Debt2Health.
- Effectiveness of Technical Review Panel (TRP) review process for GC7.

Collaboration with the Evaluation and Learning Office

In 2023, the Evaluation and Learning Office (ELO) performed an end-term evaluation of the Global Fund's 2017-2022 Strategy, referred to as the Strategic Review 2023 (SR2023). The OIG audit focused on assessing readiness to implement the new Strategy whereas SR2023 was primarily designed to evaluate the 2017-2022 Strategy, with recommendations expected to inform ongoing implementation of the new Strategy and Grant Cycle 8 (GC8).⁹

To minimize overlap and burden to Secretariat and other stakeholders, the OIG and ELO teams collaborated during the audit planning and fieldwork through data/document sharing, joint engagements with stakeholders and, where applicable, complementing the respective outputs and conclusions.

Previous OIG country audits

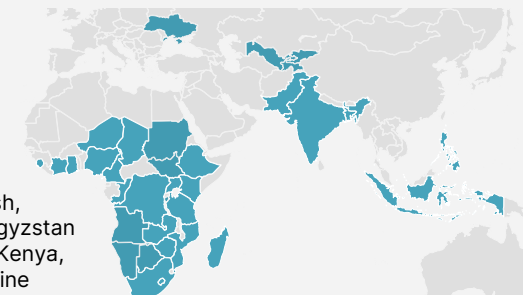
2020 Pakistan, Côte d'Ivoire, Lesotho, Angola, Indonesia

2021 Cameroon, Philippines

2022 Madagascar, Zambia, Bangladesh, EECA (focus on Uzbekistan, Kyrgyzstan and Tajikistan), Congo, Nigeria, Kenya, Mozambique, South Africa, Ukraine

2023 India, Sudan, Sierra Leone, Chad, Niger, Tanzania, Ethiopia, Ghana, Uganda, Côte d'Ivoire, Burundi, Namibia, Burkina Faso

Country case studies: Botswana,* Ethiopia, Nigeria, Indonesia and South Sudan.





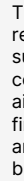
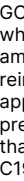




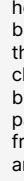
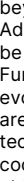




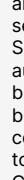
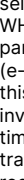




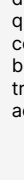



⁸ Grant Cycle 7 refers to those grants that will be funded from the 2023-2025 allocation period

⁹ Grant Cycle 8 refers to those grants that will be funded from the 2026-2028 allocation period

* Botswana case study did not involve interview of in-country stakeholders, due to no funding request or grant making in 2023; planned for 2024

3. Objectives, scope, methodology & ratings

Audit Objectives	Relevant audit finding	Primary Goal	Mutually Reinforcing Contributory Objectives				Evolving Objective
		End AIDS, TB and Malaria	People-centered integrated systems for health	Engagement and leadership of most affected communities	Health equity, gender equality and human rights	Mobilizing increased resources	Contribute to pandemic preparedness and response
Strategy aligned grants Global Fund's approach to ensure strategy aligned grants for Grant Cycle 7. Partially Effective	Finding 4.1	 GC7 grants are effectively aligned with the new Strategy, but close monitoring during implementation is needed for prevention interventions. There are increased financial resources for HTM grants, more focus on value for money is needed to maximize these resources. The secretariat needs to ensure that human resources are allocated to the highest burden/highest risk portfolios. There is a solid partnership to implement HTM grants, with some opportunities to further strengthen the prevention partnership at country level. The monitoring framework, including financial and fiduciary oversight, for HTM grants is well established, but there is a need to ensure that material grant investments are properly monitored through indicators.	 There is an increase in quantity of RSSH investments in GC7 compared to GC6, mainly due to the re-purposing of C19RM investments to support RSSH-PPR interventions. However, despite the increase in RSSH funding, the Global Fund's share of investments in total RSSH needs at the country level is smaller compared to HTM. Therefore, there is a need to catalyze domestic resources for sustained investments in RSSH and to ensure Global Fund resources for system-strengthening interventions are maximized. There are challenges in technical partnership and coordination on RSSH at global and country levels due to fragmented partner landscape, multifaceted nature of RSSH, suboptimal implementation arrangements and in-country capacity issues. New RSSH KPIs have been added to track progress, but there is limited focus and coverage of selected RSSH KPIs tracked through targeted health facility assessments.	 Community involvement throughout the development process is required for GC7 funding applications, but the TRP found that the Civil Society and Communities Priorities are not always considered. While there are funding opportunities for community-based and community-led organizations, there are limitations. Minimum capacity requirements may exclude smaller organizations as service providers or sub-recipients. Further improvements are needed to maximize the voice of communities within CCMs to strengthen and facilitate inclusive oversight and monitoring during grant implementation.	 Interventions to reduce human rights-related barriers are included in HTM program essentials, but human rights and gender assessments are not always consistently applied in funding allocations or program design. Human rights and gender assessments were either poorly reflected in the funding request or not used at all, as investments were often included in the Prioritized Above Allocation Request (PAAR). The Global Fund's human rights and gender partnerships are weaker for TB and malaria than for HIV. The monitoring approach for gender equality interventions is yet to be fully developed but a mid-cycle evaluation in 2025 is expected to assess progress.	 The new co-financing requirement for submission of commitment letters aims to improve financial sustainability and accountability, but implementation remains a challenge. The Secretariat's efforts to catalyze domestic health financing have been hampered by the macroeconomic challenges faced by many countries, particularly those with fragile health systems and limited fiscal resources. Efforts are underway to improve coordination and alignment of bilateral set-asides, but the Secretariat's limited authority requires buy-in from all relevant bilateral donors for any coordination initiatives to be successful. The Global Fund's new co-financing KPI tracks total commitments, but data availability and quality on co-financing commitments need to be improved to ensure transparency and accountability.	 GC7 funding requests, while lower in PPR ambition due to C19RM reinvestments, included appropriate pandemic preparedness investments that complemented C19RM funding. However, there are concerns about the sustainability of RSSH PPR interventions beyond December 2025. Additional resources will be needed if the Global Fund is to achieve this evolving target. There are challenges related to technical partnership and coordination of RSSH-PPR at the global and country levels. The new PPR KPIs are based on country self-reported data in WHO's electronic state parties annual reporting (e-SPAR). However, this is a relatively new investment area with time-limited funding and trade-offs are required regarding the investment in robust measurement for a time limited activity.
Mechanisms to maximize resources Global Fund's mechanisms to maximize available financial and human resources and catalyze domestic resources to deliver the new Strategy. Needs significant improvement	Finding 4.2 and 4.3	 There is a solid partnership to implement HTM grants, with some opportunities to further strengthen the prevention partnership at country level. The monitoring framework, including financial and fiduciary oversight, for HTM grants is well established, but there is a need to ensure that material grant investments are properly monitored through indicators.	 There are challenges in technical partnership and coordination on RSSH at global and country levels due to fragmented partner landscape, multifaceted nature of RSSH, suboptimal implementation arrangements and in-country capacity issues. New RSSH KPIs have been added to track progress, but there is limited focus and coverage of selected RSSH KPIs tracked through targeted health facility assessments.	 Community involvement throughout the development process is required for GC7 funding applications, but the TRP found that the Civil Society and Communities Priorities are not always considered. While there are funding opportunities for community-based and community-led organizations, there are limitations. Minimum capacity requirements may exclude smaller organizations as service providers or sub-recipients. Further improvements are needed to maximize the voice of communities within CCMs to strengthen and facilitate inclusive oversight and monitoring during grant implementation.	 Interventions to reduce human rights-related barriers are included in HTM program essentials, but human rights and gender assessments are not always consistently applied in funding allocations or program design. Human rights and gender assessments were either poorly reflected in the funding request or not used at all, as investments were often included in the Prioritized Above Allocation Request (PAAR). The Global Fund's human rights and gender partnerships are weaker for TB and malaria than for HIV. The monitoring approach for gender equality interventions is yet to be fully developed but a mid-cycle evaluation in 2025 is expected to assess progress.	 The new co-financing requirement for submission of commitment letters aims to improve financial sustainability and accountability, but implementation remains a challenge. The Secretariat's efforts to catalyze domestic health financing have been hampered by the macroeconomic challenges faced by many countries, particularly those with fragile health systems and limited fiscal resources. Efforts are underway to improve coordination and alignment of bilateral set-asides, but the Secretariat's limited authority requires buy-in from all relevant bilateral donors for any coordination initiatives to be successful. The Global Fund's new co-financing KPI tracks total commitments, but data availability and quality on co-financing commitments need to be improved to ensure transparency and accountability.	 GC7 funding requests, while lower in PPR ambition due to C19RM reinvestments, included appropriate pandemic preparedness investments that complemented C19RM funding. However, there are concerns about the sustainability of RSSH PPR interventions beyond December 2025. Additional resources will be needed if the Global Fund is to achieve this evolving target. There are challenges related to technical partnership and coordination of RSSH-PPR at the global and country levels. The new PPR KPIs are based on country self-reported data in WHO's electronic state parties annual reporting (e-SPAR). However, this is a relatively new investment area with time-limited funding and trade-offs are required regarding the investment in robust measurement for a time limited activity.
Partnership Engagement Global Fund's engagement with in-country, technical and development partners to support delivery of the new Strategy. Partially Effective	Finding 4.4	 There is a solid partnership to implement HTM grants, with some opportunities to further strengthen the prevention partnership at country level. The monitoring framework, including financial and fiduciary oversight, for HTM grants is well established, but there is a need to ensure that material grant investments are properly monitored through indicators.	 There are challenges in technical partnership and coordination on RSSH at global and country levels due to fragmented partner landscape, multifaceted nature of RSSH, suboptimal implementation arrangements and in-country capacity issues. New RSSH KPIs have been added to track progress, but there is limited focus and coverage of selected RSSH KPIs tracked through targeted health facility assessments.	 Community involvement throughout the development process is required for GC7 funding applications, but the TRP found that the Civil Society and Communities Priorities are not always considered. While there are funding opportunities for community-based and community-led organizations, there are limitations. Minimum capacity requirements may exclude smaller organizations as service providers or sub-recipients. Further improvements are needed to maximize the voice of communities within CCMs to strengthen and facilitate inclusive oversight and monitoring during grant implementation.	 Interventions to reduce human rights-related barriers are included in HTM program essentials, but human rights and gender assessments are not always consistently applied in funding allocations or program design. Human rights and gender assessments were either poorly reflected in the funding request or not used at all, as investments were often included in the Prioritized Above Allocation Request (PAAR). The Global Fund's human rights and gender partnerships are weaker for TB and malaria than for HIV. The monitoring approach for gender equality interventions is yet to be fully developed but a mid-cycle evaluation in 2025 is expected to assess progress.	 The new co-financing requirement for submission of commitment letters aims to improve financial sustainability and accountability, but implementation remains a challenge. The Secretariat's efforts to catalyze domestic health financing have been hampered by the macroeconomic challenges faced by many countries, particularly those with fragile health systems and limited fiscal resources. Efforts are underway to improve coordination and alignment of bilateral set-asides, but the Secretariat's limited authority requires buy-in from all relevant bilateral donors for any coordination initiatives to be successful. The Global Fund's new co-financing KPI tracks total commitments, but data availability and quality on co-financing commitments need to be improved to ensure transparency and accountability.	 GC7 funding requests, while lower in PPR ambition due to C19RM reinvestments, included appropriate pandemic preparedness investments that complemented C19RM funding. However, there are concerns about the sustainability of RSSH PPR interventions beyond December 2025. Additional resources will be needed if the Global Fund is to achieve this evolving target. There are challenges related to technical partnership and coordination of RSSH-PPR at the global and country levels. The new PPR KPIs are based on country self-reported data in WHO's electronic state parties annual reporting (e-SPAR). However, this is a relatively new investment area with time-limited funding and trade-offs are required regarding the investment in robust measurement for a time limited activity.
Governance and Oversight Global Fund's governance and oversight mechanisms to monitor, prioritize and adapt the strategic priorities. Partially Effective	Finding 4.5	 There is a solid partnership to implement HTM grants, with some opportunities to further strengthen the prevention partnership at country level. The monitoring framework, including financial and fiduciary oversight, for HTM grants is well established, but there is a need to ensure that material grant investments are properly monitored through indicators.	 There are challenges in technical partnership and coordination on RSSH at global and country levels due to fragmented partner landscape, multifaceted nature of RSSH, suboptimal implementation arrangements and in-country capacity issues. New RSSH KPIs have been added to track progress, but there is limited focus and coverage of selected RSSH KPIs tracked through targeted health facility assessments.	 Community involvement throughout the development process is required for GC7 funding applications, but the TRP found that the Civil Society and Communities Priorities are not always considered. While there are funding opportunities for community-based and community-led organizations, there are limitations. Minimum capacity requirements may exclude smaller organizations as service providers or sub-recipients. Further improvements are needed to maximize the voice of communities within CCMs to strengthen and facilitate inclusive oversight and monitoring during grant implementation.	 Interventions to reduce human rights-related barriers are included in HTM program essentials, but human rights and gender assessments are not always consistently applied in funding allocations or program design. Human rights and gender assessments were either poorly reflected in the funding request or not used at all, as investments were often included in the Prioritized Above Allocation Request (PAAR). The Global Fund's human rights and gender partnerships are weaker for TB and malaria than for HIV. The monitoring approach for gender equality interventions is yet to be fully developed but a mid-cycle evaluation in 2025 is expected to assess progress.	 The new co-financing requirement for submission of commitment letters aims to improve financial sustainability and accountability, but implementation remains a challenge. The Secretariat's efforts to catalyze domestic health financing have been hampered by the macroeconomic challenges faced by many countries, particularly those with fragile health systems and limited fiscal resources. Efforts are underway to improve coordination and alignment of bilateral set-asides, but the Secretariat's limited authority requires buy-in from all relevant bilateral donors for any coordination initiatives to be successful. The Global Fund's new co-financing KPI tracks total commitments, but data availability and quality on co-financing commitments need to be improved to ensure transparency and accountability.	 GC7 funding requests, while lower in PPR ambition due to C19RM reinvestments, included appropriate pandemic preparedness investments that complemented C19RM funding. However, there are concerns about the sustainability of RSSH PPR interventions beyond December 2025. Additional resources will be needed if the Global Fund is to achieve this evolving target. There are challenges related to technical partnership and coordination of RSSH-PPR at the global and country levels. The new PPR KPIs are based on country self-reported data in WHO's electronic state parties annual reporting (e-SPAR). However, this is a relatively new investment area with time-limited funding and trade-offs are required regarding the investment in robust measurement for a time limited activity.

Rating key ● Effective ● Partially Effective ● Needs significant improvement ● Ineffective
 (Refer to Annex 1 for details)

4. Audit findings

Strategy aligned grants

4.1 The Global Fund model and timely planning for strategy implementation has supported the design of strategy-aligned grants. Funding requests include new strategic priorities and an updated modular framework with corresponding indicators, ensuring alignment and measurable progress. Monitoring, follow-up and adaptations during implementation are needed to effectively deliver on key strategic ambitions.

The Global Fund has an effective model for aligning country grants to the Strategy while maintaining partnership and country ownership principles. The model enables country stakeholder and technical partner input in the country dialogue. The model also supports the elaboration of funding requests and a Technical Review Panel (TRP) ensures they are aligned both with countries and Global Fund strategies.

The model has been supported by timely planning for strategy implementation both at strategic and operational levels. Key elements of the model have been enhanced and updates to various tools and guidance to include new strategic priorities were implemented. Grant Cycle 7 grants are generally designed in alignment with the new Strategy, especially for the primary objective. However, the Secretariat should continue monitoring and adapting implementation of the grants to deliver on some key strategic priorities of incidence reduction, RSSH and PPR, as well as community engagement and human rights.

4.1.1 The Global Fund model has been effective over the years in its fight against the three diseases. Significant progress has been achieved, setting a solid foundation for the 2023-2028 Strategy.

The primary goal of the Global Fund is to end AIDS, TB and malaria (HTM). Since its establishment in 2002, the Global Fund partnership has achieved remarkable success in the fight against the three diseases. Fifty-nine million lives¹⁰ have been saved, and significant progress has been made in reducing the burden of HIV, TB, and malaria worldwide.

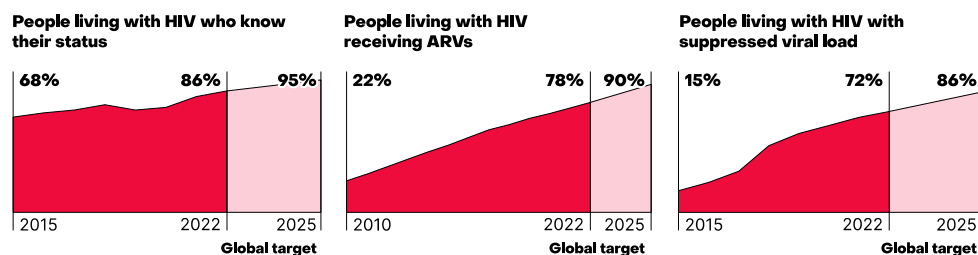
The COVID-19 pandemic however – exacerbated by significant macro-economic, social, environmental and global health challenges – has either reversed or stalled momentum in some regions and countries in recent years.

4. Audit findings

Progress against HIV/AIDS

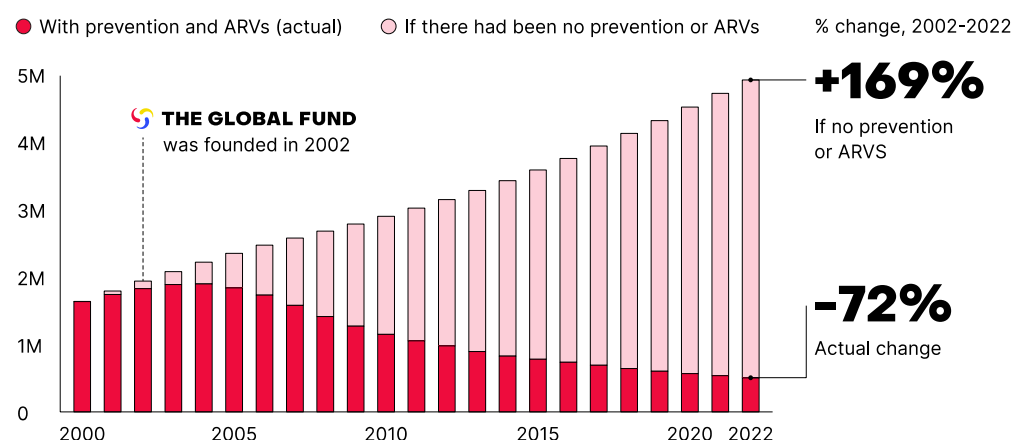
Significant progress has been achieved in the fight against HIV/AIDS, with the Global Fund partnership significantly contributing to progress towards the 95–95–95¹¹ testing, treatment and viral load suppression targets. Globally, there have been improvements across the testing and treatment cascade with the world on course to achieving the 2025 targets. In countries where the Global Fund invests, treatment coverage increased from 22% in 2010 to 78% in 2022.¹²

FIGURE 6
Global progress towards the HIV testing, treatment and viral load suppression cascades targets



The Global Fund provides 28% of international financing for HIV programs.¹³ In 2022, there were 24.5 million¹⁴ people on antiretroviral therapy (ART) for HIV in countries where the Global Fund invests. The provision of effective treatment has reduced numbers of AIDS-related deaths globally by 72% between 2002 and 2022.

FIGURE 7
Progress in reducing AIDS-related deaths globally¹⁵



To reach the ambitious 2025 and 2030 global HIV targets, the new Strategy aims to enhance support for HIV prevention and reduce treatment coverage gaps, with emphasis on key and other vulnerable groups. This includes intensified focus on primary prevention, and on addressing the structural drivers of HIV infection and AIDS-related deaths, such as human rights and gender-related barriers to services including stigma, discrimination and criminalization.

11 UNAIDS testing and treatment cascade targets as follows; (i) 95% of people within the subpopulation who are living with HIV know their HIV status; (ii) 95% of people within the subpopulation who are living with HIV who know their HIV status are on antiretroviral therapy, and (iii) 95% of people within the subpopulation who are on antiretroviral therapy have suppressed viral loads.

12 The Global Fund Results Report, 2023 (<https://www.theglobalfund.org/en/results/> - accessed on 30.01.2024)

13 Ibid

14 Ibid

15 Ibid

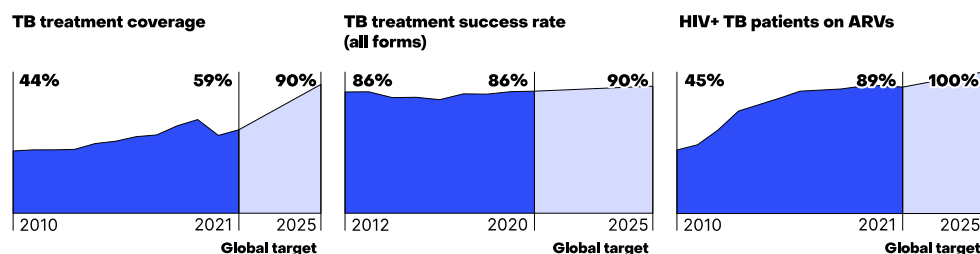
4. Audit findings

Progress against Tuberculosis

The Global Fund is the biggest donor for TB globally. It contributes approximately 76% of all international financing for TB.¹⁶ Thanks to the Partnership and country efforts, TB treatment coverage increased from 44% in 2010 to 59% in 2021, and the TB treatment success rate reached 86% in 2020.

Following setbacks due to the COVID-19 pandemic disruption in 2020 and 2021, TB programs accelerated recovery in 2022, not only regaining lost ground but surpassing pre-pandemic performance. According to the WHO Global TB report 2023, there were 7.5 million newly diagnosed and reported TB cases globally in 2022, an increase of 16% from the previous year. This not only surpassed the pre-COVID-19 disruption levels, but is also the highest number of reported cases in a single year since WHO started global TB monitoring in the mid-1990s.¹⁷

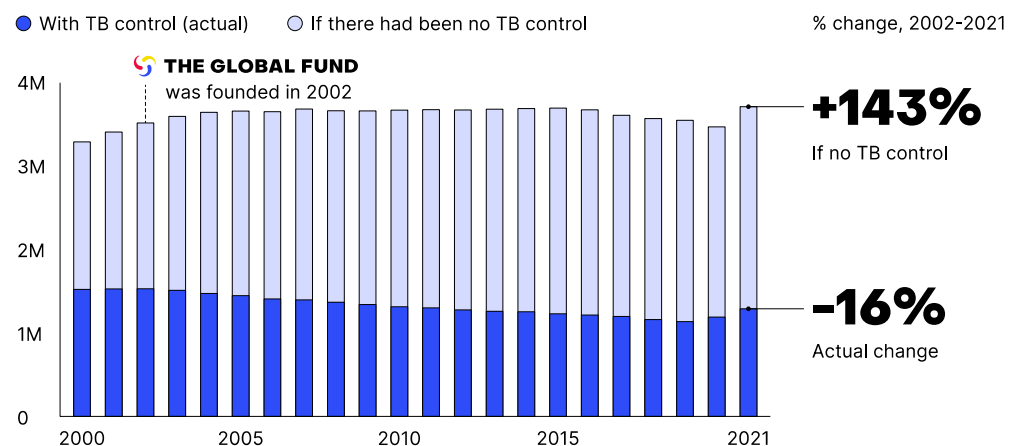
FIGURE 8
Global progress towards the TB treatment coverage and success rate and HIV/TB co-infection¹⁸



According to the Global Fund Results Report 2023, TB deaths reduced by 16% between 2002 and 2021 in countries where the Global Fund invests. While there has also been progress against the WHO END-TB strategy milestones, the progress is still slow and is off track to achieve the 2025 and 2030 global targets. For instance, the reduction in total number of TB deaths between 2015 and 2022 was 19%, a quarter of the way to the 2025 milestone of 75%. There was a 9% reduction in the global TB incidence rate between 2015-2022, against the objective of a 50% reduction by 2025.

The WHO estimates that reaching the milestones and targets for reductions in TB incidence required an annual decline in the TB incidence rate of 4–5% per year by 2020, before accelerating to 10% per year by 2025 and then to an average of 17% per year from 2025 to 2035.

FIGURE 9
Progress in reducing TB deaths globally (excluding HIV-positive cases)¹⁹



*While major control efforts for malaria and HIV began with the launch of the Millennium Development Goals in 2000, TB control efforts began much earlier. The counterfactual and actual results therefore diverged from each other much earlier, making this graph look considerably different than its HIV and malaria counterparts.

The new Strategy aims to intensify efforts to tackle barriers that limit access to quality TB prevention and treatment. This includes scale-up of efforts to find and treat all people with TB, improve integration with other services (e.g., TB/HIV), intensify prevention interventions, address the socioeconomic barriers to care and differentiation of services for the most vulnerable communities. The Global Fund aims to promote enabling environments, in collaboration with partners and affected communities, to reduce TB-related stigma, discrimination, human rights and gender-related barriers to care, and advance approaches to address catastrophic cost due to TB.²⁰

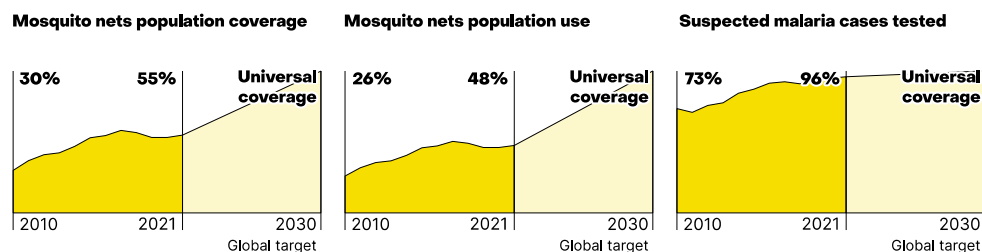
16 Ibid
 17 WHO Global Tuberculosis report 2023
 18 The Global Fund Results Report, 2023 (<https://www.theglobalfund.org/en/results/> - accessed on 30.01.2024)
 19 Ibid
 20 The Global Fund Technical Brief on Removing Human Rights-related Barriers to TB Services (Allocation Period 2023-2025)

4. Audit findings

Progress against malaria

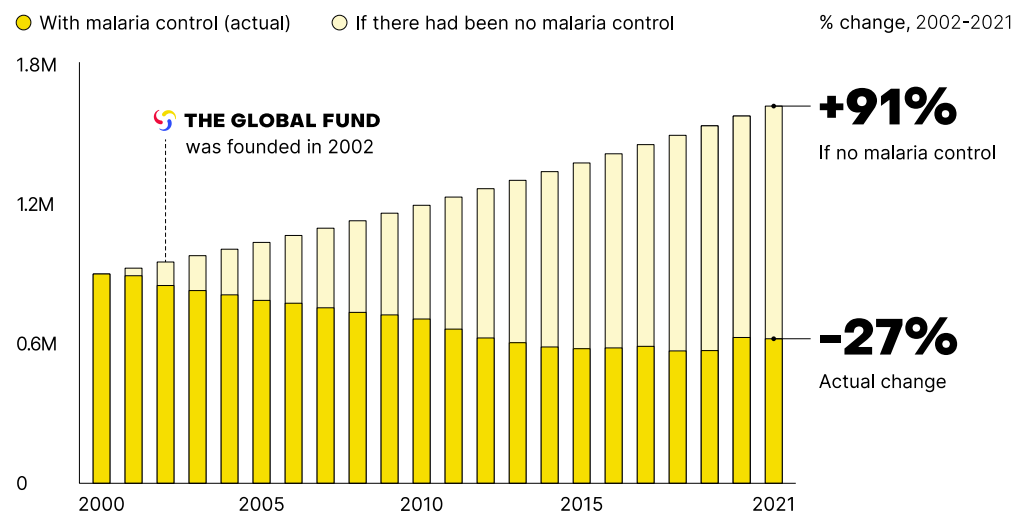
The Global Fund provides 65% of all international financing for malaria programs. In countries where the Global Fund invests, only 30% of the population had access to long-lasting insecticidal nets (LLINs) in 2010. By 2021, this number had nearly doubled to 55%. Mosquito net usage also increased substantially, rising from 26% to 48% during the same period. Mosquito net usage also increased substantially, rising from 26% to 48% during the same period.

FIGURE 10
Global progress towards malaria (2010 – 2021)²¹



A total of 220 million mosquito nets were distributed in 2022. Malaria cases and deaths have also reduced although both are off track on global targets for 2025 and 2030. In countries where the Global Fund invests, malaria deaths decreased by 27% between 2002 and 2021.²² Globally, malaria case incidence declined from 81.0 per 1,000 population at risk in 2000 to 58.4 in 2022.²³ By 2021, Global malaria case incidence was 59 cases per 1,000 population at risk, against a target of 31 cases per 1,000 – off track by 48%.

FIGURE 11
Progress in reducing malaria deaths globally²⁴



Malaria progress is particularly threatened by emerging biological and environmental threats. According to the new Strategy, more equitable access to malaria services across the spectrum of vector control, testing and treatment interventions is required to get back on track in the fight against malaria.

²¹ Ibid
²² Ibid
²³ World malaria report 2023. Geneva: World Health Organization; 2023. Licence: CC BY-NC-SA 3.0 IGO.
²⁴ The Global Fund Results Report, 2023 (<https://www.theglobalfund.org/en/results/> - accessed on 30.01.2024)

4. Audit findings

Strategy aligned grants

4.1.2 Timely planning for strategy implementation both at the strategic and operational levels has facilitated the design of strategy-aligned grants, upholding country ownership and partnership principles.

Country ownership and partnership are two core principles of the Global Fund model. The principles involve not only implementer governments but also communities affected by the diseases, civil society, technical & development partners and other stakeholders. This inclusive concept ensures that grant programs are both technically compliant with international health policies and guidelines, and tailored to the respective country context.

Global Fund resources are additional and catalytic funds that complement domestic and other donor resources to accelerate progress towards health impact. The Global Fund's country dialogue and grant-making process are designed to foster partnership and country ownership and ensure grants are strategy-aligned from funding request to grant approval.

Country allocations: Every three years donor governments, the private sector and foundations pledge funds to support the Global Fund mission as part of replenishment of resources to deliver its strategy. Following replenishment, country allocations are calculated using a Board-approved methodology that prioritizes funding for countries with the highest disease burden and lowest economic capacity, while accounting for key and vulnerable populations disproportionately affected by the three diseases.

Country dialogue: Eligible countries, who received an allocation, are then invited to develop funding requests based on their national strategies and funding needs. The Country Coordinating Mechanisms (CCMs) – which consist of people who are affected by the three diseases, technical experts and representatives from government civil society, technical and development partners and academia – develop the funding requests following national strategies.

Review and recommendation: The Global Fund's independent Technical Review Panel (TRP) comprised of technical experts,²⁵ assesses funding requests for technical merit and strategic alignment with the Fund's goals. This is a key step in grant life cycles that ensures the funding requests are aligned not only with the national strategies but also with the Global Fund strategy.

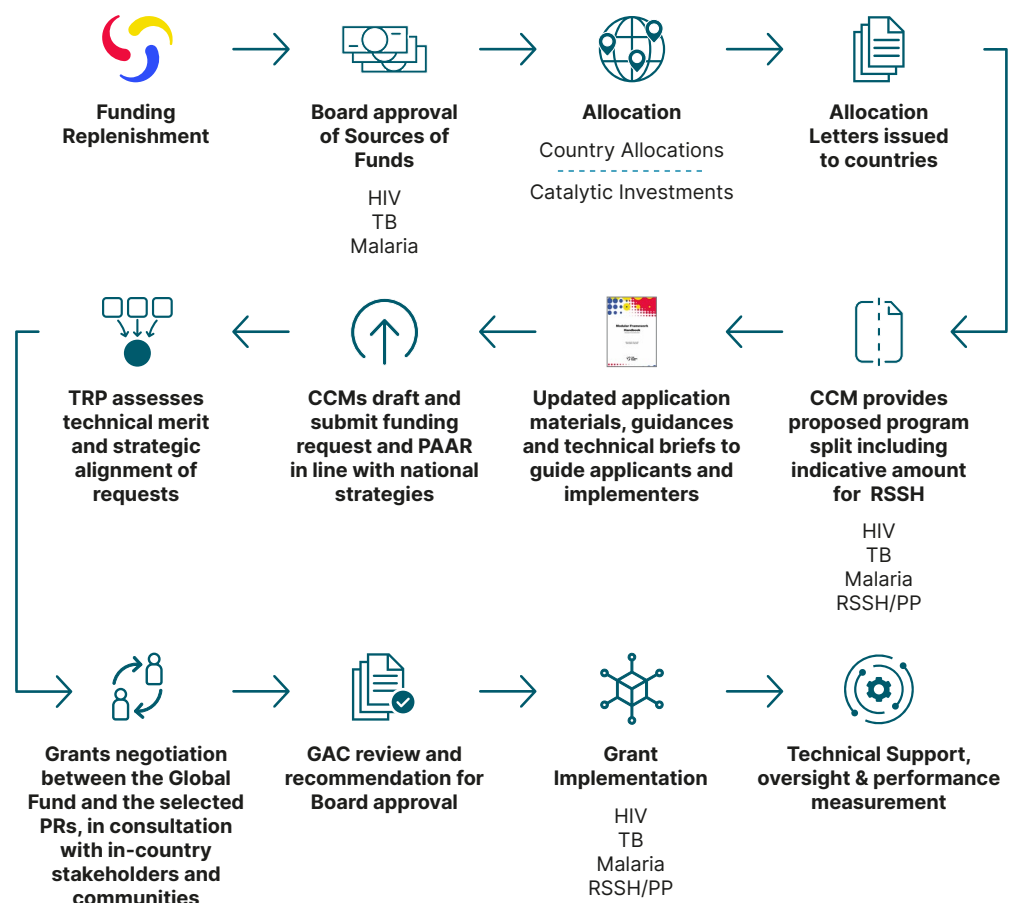
Grant making: Following the TRP review, the implementers and Global Fund Country Team negotiate the grant design and finalize key grant documents including grant confirmation, performance framework, budgets, health product management templates, implementation maps, and risk assessments.

Grant approval: The final grant documents are submitted to the Grant Approvals Committee (GAC). The committee reviews grant investment proposals and recommends investment decisions to the Board. The GAC is comprised of partners, representatives

of civil society, and relevant staff and leadership from the Global Fund Secretariat. This not only provides transparency in decision-making, but also ensures that the GAC's recommendations to the Board are informed by consultations and input from partners.

By the end of 2023, the Board had approved GC7 grants worth US\$9.2 billion for more than 70 countries, including multi-country grants.

FIGURE 12
The Global Fund operating model to ensure grants are strategy-aligned



25 The Technical Review Panel consists of experts in HIV, tuberculosis, malaria, human rights and gender, health systems and health financing

4. Audit findings

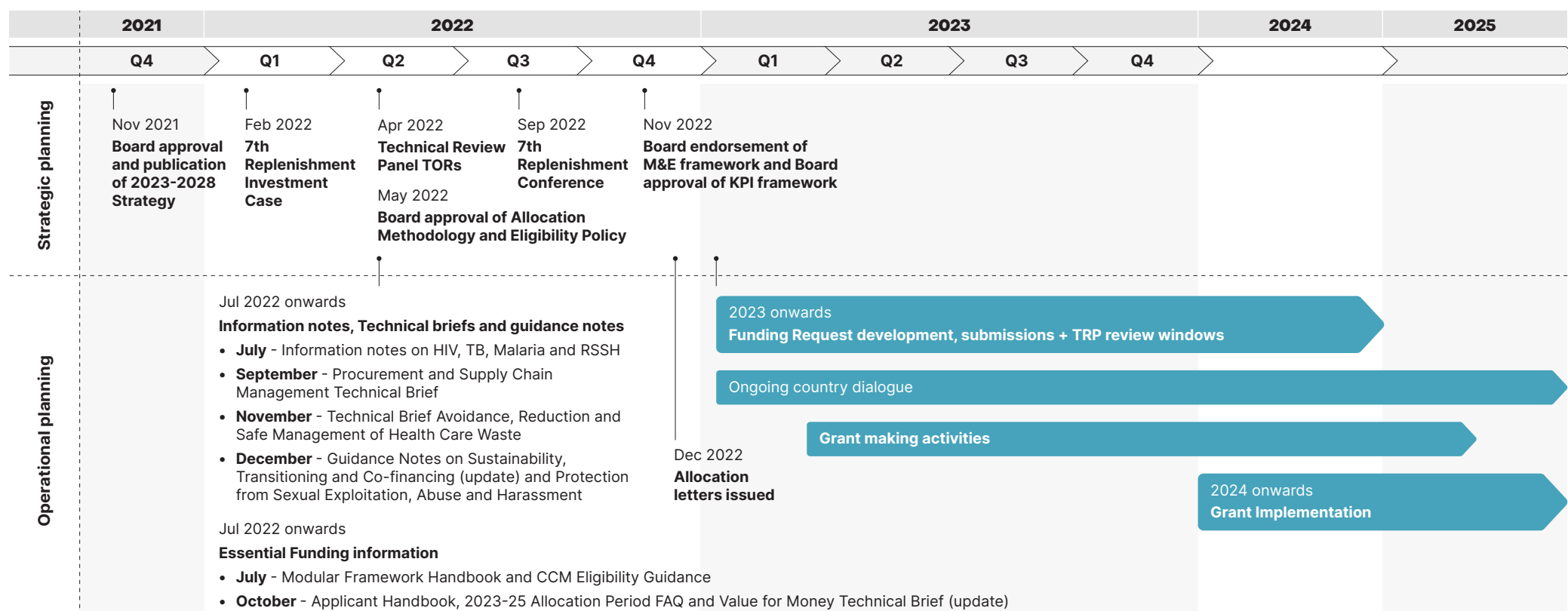
Strategy aligned grants

The Global Fund Secretariat undertook extensive and timely updates to multiple policies, processes, systems, and tools to facilitate funding requests and grant making for GC7.

The Strategy was developed through a consultative two-year process, initiated in October 2019, guided by the Strategy Committee and Board. The strategy development process was built on input, lessons learned and evidence collected from across the Partnership including country stakeholders, communities and civil society, and evidence from sources including TRP, TERG,²⁶ the OIG and technical partners, as well as the Secretariat's own analysis and input.

The strategy was approved by the Board in November 2021 and was followed by the launching of the replenishment Investment Case in February 2022. The Secretariat has prepared the strategy implementation in a timely manner. This is both at the strategic level, with the creation of strategy delivery groups and the enhancement of TRP – a critical component of the model. At the operational level, there were various policy updates in preparation for the next grant cycle.

FIGURE 13
The Global Fund strategic and operational planning of strategy implementation



²⁶ The Technical Evaluation Reference Group (TERG) was an independent evaluation advisory group that assessed and reported on the monitoring and evaluation work conducted by the Global Fund Secretariat, and provided independent advice on monitoring and evaluation matters. It was replaced in 2023 by the Independent Evaluation Panel and Evaluation and Learning Office.

4. Audit findings

Strategy aligned grants

Strategy Delivery Working Groups: As part of the Strategy delivery planning process, the Global Fund set up 15 cross-functional Secretariat Strategy Delivery Working Groups. These Working Groups focused on key thematic areas (e.g., quality standards, innovations, incidence reduction, pandemic preparedness, etc.) linked to the 10 key changes in the new Strategy.

Each working group developed operational plans that included prioritization and refinement of focus areas, change levers and definition of workstreams for each of the 10 key changes in the new Strategy. To define and prioritize the focus of each working group, the Management Executive Committee (MEC) reviewed and endorsed the problem statements, scope, and three-year mid-strategy ambition.

FIGURE 14
Strategy delivery working groups²⁷

10 Key changes in Strategy Narrative	Strategy Delivery Working Group
1 Incidence Reduction	<ul style="list-style-type: none"> • HIV Incidence Reduction (Intensify & focus effort in priority countries) • TB Incidence Reduction Working Group • Malaria Incidence Reduction (Enhance M&E, implementation support)
2 People-centered Integrated Systems for Health	<ul style="list-style-type: none"> • People-centered: (Encourage more & better-quality investments)
3 Service delivery by community-based/-led organization	<ul style="list-style-type: none"> • CLO/CBOs: Develop portfolio-wide operational strategy & targets
4 Voice of Communities	<ul style="list-style-type: none"> • Community Engagement: Introduce minimum requirements
5 Health Equity, Human Rights, Gender Equality	<ul style="list-style-type: none"> • Health Equity, Gender Equality, Human Rights: Develop gender equality marker & strengthen roles & responsibilities
6 Health Financing	<ul style="list-style-type: none"> • Health Financing: Enhance approach to co-financing, blended finance, VfM, sustainable service delivery by CSOs/communities
7 Accelerate equitable introduction & scale-up of new tools & innovation	<ul style="list-style-type: none"> • Innovations: Build a cohesive Secretariat approach for accelerated access
8 Improve generation and use of data	
9 Pandemic Preparedness & Response	<ul style="list-style-type: none"> • Contributing to Pandemic Preparedness (various workstreams)
10 Partnership Model	



27 Strategy Delivery Planning (MEC Decision Session) – May 5 – 6, 2022

4. Audit findings

Strategy aligned grants

Enhanced Technical Review Panel (TRP) role: Recognizing the importance of the Technical Review Panel (TRP) in ensuring strategy-aligned grants, the Secretariat has worked with TRP to review the model in early 2022.²⁸ Following this review, the TRP Terms of Reference and the membership recruitment criteria were updated with expertise to cover new priority areas such as pandemic preparedness and gender equality. The Strategy Committee approves the Terms of Reference for the TRP in accordance with the Board-approved mandate.

The Global Fund also updated the TRP's review criteria to reflect changes in the new Strategy. The new criteria are meant to assess the overall contribution of the funding request to the primary goal of ending AIDS, TB and malaria, plus each of the mutually reinforcing contributory and evolving objectives of the new Strategy:

- Ending AIDS, TB and malaria
- Maximizing people-centered Integrated Systems for Health
- Maximizing health equity, gender equality and human rights
- Strengthening resource mobilization, sustainability, health financing, and value for money, and
- Strengthening countries' pandemic preparedness capabilities by building integrated and resilient systems for health.

The TRP is a critical component of ensuring a rigorous, yet efficient, process of reviewing and ensuring that funding requests are technically sound and strategically focused before approval. In the first three windows of the 2023-2025 funding cycle, the TRP reviewed 134 funding requests and they recommend 96%²⁹ of funding requests for grant making. The recommended grants amounted to US\$11.8 billion. The TRP also approved approximately US\$5.9 billion for "Prioritized Above Allocation Requests" (PAARs), recognizing funding gaps for essential interventions. Refer to Figures 15 and 16 for summary of TRP composition and the recommended grants in Windows 1, 2 and 3.

FIGURE 15
TRP composition (Leadership, Focal Points, Reviewers and Secretariat)

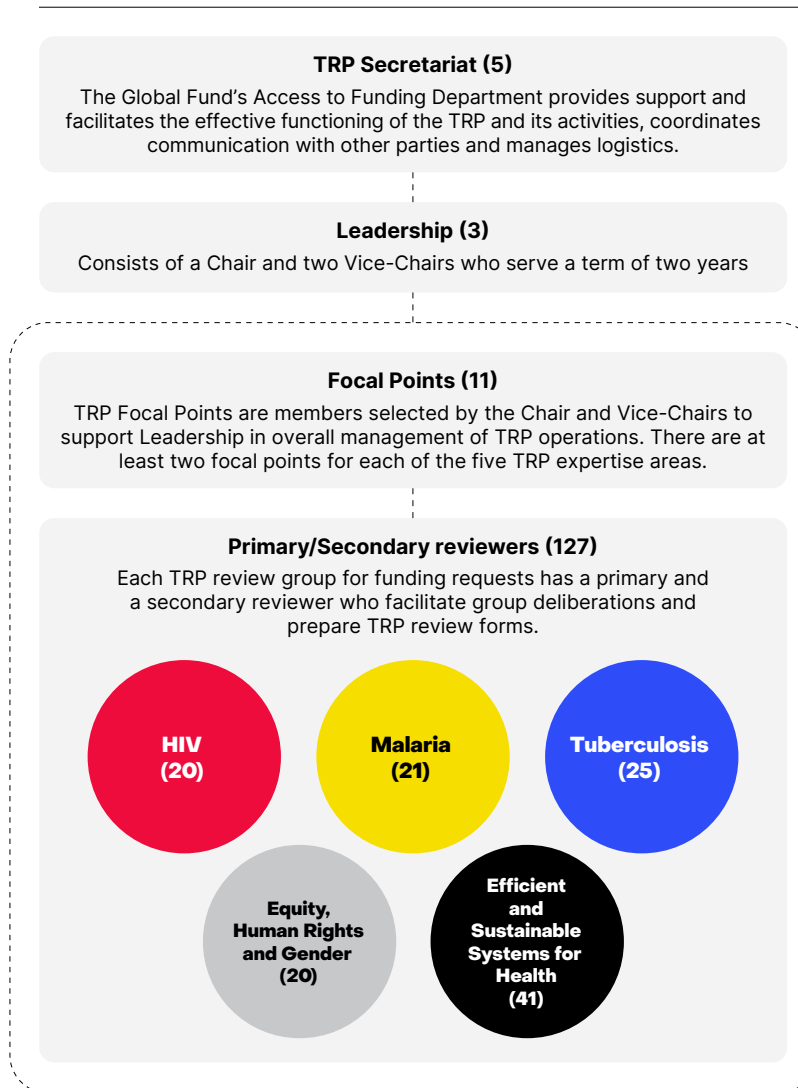
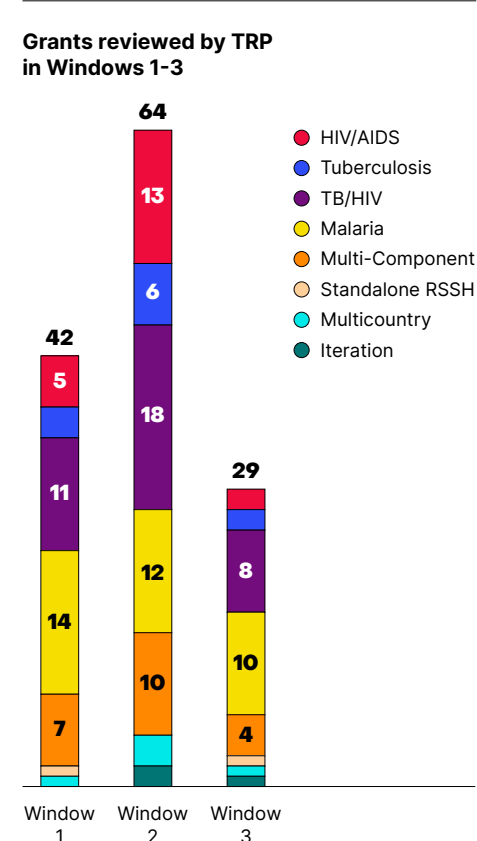


FIGURE 16
Number of recommended grants for grant making in Windows 1, 2 and 3



In 2023 TRP reviewed 90% of the total GC7 allocation amount:

- 70% (134 of 190) of the expected FRs for GC7
- US\$11.8 billion in allocation recommended for grant making, and 247 million of Matching Funds

²⁸ OIG TRP Advisory published in 2022
²⁹ Full Approval Rates: 93% (39 out of 42) for Window 1 (W1); 97% (61 out of 63) for Window 2 (W2) - with minor adjustments for 2 funding requests.
 (Source: TRP Observations Report: Grant Cycle 7 Windows 1 & 2 to 50th Board Meeting - GF/B50/12)

4. Audit findings

Strategy aligned grants

Updates to funding request requirements: Following the country dialogue, the countries submit their investing needs through a funding request. This is a key element to ensure grants are designed in line with the Global Fund strategy. Through the work of the cross-functional Secretariat Working Groups in consultation with technical partners, the funding request templates were updated to ensure that the new strategic priorities are integrated into grant design. The Global Fund also updated its technical information and guidance notes/briefs. Key updates include the following:

- Articulation of program essentials for HIV, TB, and malaria.³⁰
- Introduction of a new mandatory domestic co-financing commitment letter endorsed by a government budget holder.
- Selection of mandatory HIV, TB, malaria, RSSH, and community, rights, and gender (CRG) performance framework indicators.
- New annexes for strategic priorities added to the funding request package (e.g., RSSH gaps and priorities (mandatory), gender assessments (if available), funding priorities from civil society and communities (mandatory), and sexual exploitation, abuse, and harassment risk assessment (optional)).
- The Integrated Risk Management Module (IRM) updated with new risks and sub-risks (e.g., for RSSH, pandemic preparedness and response (PPR), and health financing) to better align with the new Strategy.

Increased engagement with key affected communities: The grant-making process was updated to facilitate increased engagement with key affected communities. The funding priorities of civil society and communities affected by the three diseases are also considered in the grant design. To enhance engagement with CCMs, civil society, and communities, the Global Fund has mandated updates to keep all CCM members informed of key funding requests and grant-making milestones as follows:

- CCM members are copied on essential automated grant-making milestone notifications to ensure they remain informed of progress.
- CCMs are obligated to conduct at least two CCM meetings during grant making for Principal Recipients to provide updates and receive feedback on grant making progress.

The Global Fund Country Teams are encouraged to hold at least one meeting with community and civil society representatives to provide updates and gather feedback on grant making progress.

4.1.3 Monitoring, follow-up and adaptations during implementation are required to deliver on key strategic ambitions: incidence reduction, RSSH, PPR, human rights and community engagement.

Mechanisms to deal with programmatic challenges are properly designed, but close follow-up is needed to manage emerging threats to the gains made in the fight against HIV, TB and malaria.

The primary goal of the Global Fund is to end AIDS, TB and malaria. Significant progress has been made against the three diseases over the last 20 years.

Many people have been tested and put on treatment for HIV across all portfolios. LLIN coverage has increased, sustaining countries' vector control efforts, and anti-malaria drugs are more accessible. Scale-up of TB programs and shorter regimes have significantly improved the rates of treatment success.

In recent years, the COVID-19 pandemic, exacerbated by significant macro-economic, social, environmental and global health challenges, has reversed or stalled momentum in some regions and countries. Achieving further incremental success depends on the Partnership's ability to tackle systemic and social issues to reduce new infections, strengthen country systems and remove barriers to health access.

To reverse the trend and ultimately achieve the United Nations Sustainable Development Goal (SDG) target by 2030, the 2023-2038 strategy emphasizes the need to accelerate progress in reducing new infections by addressing a multitude of factors that include addressing structural barriers and leveraging innovations in prevention tools and approaches.

Due to financial constraints and other implementation challenges, there is a need for prioritization and tailoring of support for reducing AIDS, TB and malaria incidence across the Global Fund portfolio at country, Secretariat and Board level, to deliver the desired global impact as detailed below.

³⁰ Program Essentials are evidence-based interventions and approaches coming from the recommendations of technical partners such as the World Health Organization (WHO), the Joint United Nations Programme on HIV/AIDS (UNAIDS), the Stop TB Partnership, Roll Back Malaria (RBM), each of whom provide more detailed information in their respective technical guidelines (Source: [Toolkit for Tuberculosis Program Essentials, February 2023](#))

4. Audit findings

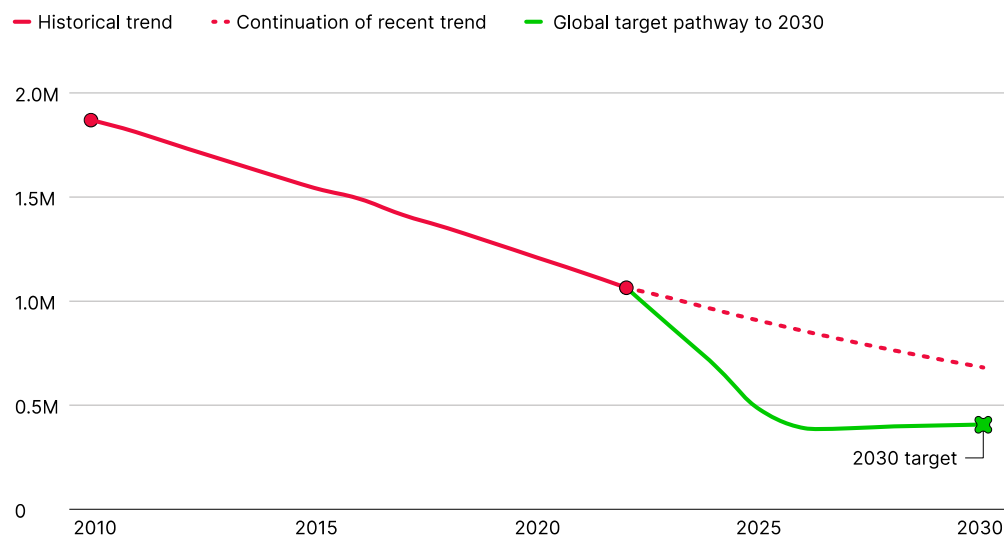
Strategy aligned grants

1. Incidence reduction:

HIV Incidence: Need to align and clarify prioritization and nature of enhanced support for incidence reduction

According to UNAIDS data, new HIV infections in 2022 were the lowest since the late 1980s. The estimated 1.3 million new HIV infections globally in 2022 were over a third (38%) fewer than in 2010.³¹ While the ongoing efforts continue to decrease HIV incidence, the progress is still slow and off track to achieve the 2025 and 2030 global targets. A further 78% and 84% reduction in HIV new infections is required to achieve the 2025 and 2030 global targets respectively.

FIGURE 17
New HIV infections: progress towards global AIDS targets³²



According to UNAIDS data, key populations contribute disproportionately to new HIV infections globally. More than half (55%) of all new HIV infections in 2022 occurred among people from key populations and their sexual partners. This represents an increase from 2010 when the estimated proportion was 44%.³³ Implementing successful prevention programs for key and vulnerable populations is critical for the Global Fund’s strategic objective of reducing new HIV infections.

Despite progress in the previous implementation cycle, OIG audits have identified implementation challenges for prevention interventions targeting key and vulnerable populations.³⁴ The 2023 reviews found that these groups, which include young women and girls, sex workers, men who have sex with men, prisoners and people who use drugs, are disproportionately affected by new infections and often lack access to HIV treatment and insufficient scale of prevention programs in many audited countries. Prevention programs for these groups are either facing delays or are not being implemented effectively. Additionally, rising human rights barriers are making it even harder to reach these vulnerable populations with essential services.

As part of the Strategy delivery planning process, the Global Fund set up cross-functional Secretariat Working Groups focused on the key changes – including the HIV Incidence Reduction Working Group – in Q2 2022. Through the Working Group, the Secretariat updated prevention guidance and investment requirements, including HIV program essentials. HIV program essentials are evidence-based interventions and approaches to achieve ambitious goals set by UNAIDS,³⁵ WHO,³⁶ and the 2023-2028 Global Fund Strategy. The program essentials are supported by HIV technical partners and ensure equity in access to high-impact interventions for people most in need, including scaling up programs that remove human rights and gender-related barriers to HIV services.

The HIV Incidence Reduction Working Group and HIV program essentials have provided strategic direction, guidance and support across the grant making cycle to design grants with a focus on prevention. An analysis of GC6 and GC7 budget data (as of February 2024), indicates that a higher proportion of investments is allocated to prevention modules for HIV/AIDS, implying a greater focus on prevention intervention in GC7 despite funding constraints.

To complement the grant investments, the HIV Incidence Reduction Working Group developed selection criteria and derived a list of 14 priority countries for

HIV incidence reduction. The Secretariat also outlined a comprehensive approach across the grant cycle to promote additional investments in HIV Prevention in the identified priority countries. These include better planning and target setting, diversified service delivery, providing technical assistance (TA), mobilizing additional national resources, and better monitoring of outcomes and impact.

12%
GC6

14%
GC7*

HIV/AIDS Grant Investments Related to Prevention Modules

* GC7 grants budget data as of 2 February 2024

31 UNAIDS Global AIDS Update 2023

32 Strategy Implementation. Acceleration into Grant Cycle 7 (Secretariat presentation to 50th Board Meeting) - GF/B50/08

33 Source: [New HIV infections among key populations, proportions in 2010 and 2022. UNAIDS Explainer](#) – accessed 16 May 2024

34 OIG country audits of Uganda, Cambodia, Malawi, Angola, Ghana, Laos and Thailand

35 UNAIDS Global AIDS Strategy 2021-2026

36 2022-2030 WHO Global Health Sector Strategies on HIV, viral hepatitis, and sexually transmitted infections

4. Audit findings

Strategy aligned grants

At the time of the audit, the specifics of the enhanced support, including how it differs from support provided to other countries and the previous grant cycle, were in the process of being defined. The HIV Incidence Reduction Working Group, in collaboration with technical partners, is exploring multiple support strategies for the GC7 focus countries. In addition, there is enhanced support for each of the 14 incidence reduction priority country portfolios at the Secretariat through a dedicated HIV technical advisor. It is important for the Secretariat to finalize and implement a detailed roadmap for the implementation of the planned activities and enhanced support. The lack of a clear differentiated approach for HIV prevention and the competing priorities of testing and treatment may limit the possibility of scaling up intervention to a level that will have a clear impact on HIV incidence reduction. For instance, there is no HIV prevention-related catalytic investment allocation/eligibility for 36% (5 of 14)³⁷ priority countries.

FIGURE 18
HIV prevention-related catalytic investments offered for the Incidence Reduction prioritized countries

Priority countries	HIV prevention-related Matching Funds				Strategic Initiatives: Eligible for TA for scaling up programs to remove human rights and gender related barriers (HIV services) through catalytic Strategic Initiatives
	Prevention for key populations	Prevention for adolescent girls and young women (AGYW) and their sexual partners	Pre-exposure prophylaxis (PrEP)	Matching Funds: RSSH: Scaling-up programs to remove human rights and gender-related barriers	
Congo	✗	✗	✗	✗	✗
India	✗	✗	✗	✗	✗
Indonesia	✓	✗	✗	✓	✓
Kenya	✗	✗	✓	✓	✓
Madagascar	✗	✗	✗	✗	✗
Mozambique	✗	✓	✓	✓	✓
Nigeria	✗	✗	✓	✓	✓
Pakistan	✓	✗	✗	✗	✗
Philippines	✓	✗	✗	✓	✓
South Africa	✗	✗	✓	✓	✓
South Sudan	✗	✗	✗	✗	✗
Tanzania	✗	✗	✗	✗	✗
Uganda	✗	✓	✓	✓	✓
Zambia	✗	✗	✓	✗	✗
Number and proportion (%) of prioritized countries	3 countries (21%)	2 countries (14%)	6 countries (43%)	7 countries (50%)	7 countries (50%)

Despite the requirement to define critical dependencies across the Global Fund partnership for HIV incidence reduction, there is limited alignment among different initiatives. The Incidence Reduction Working Group priority countries do not align with the Global Fund “Step Change” priority countries for HIV prevention. For instance, there are countries prioritized by the Incidence Reduction Working Group, but not included in the step change HIV Incidence Reduction list. Alignment between these initiatives is important to avoid duplication of efforts, inefficient resource allocation, and potential gaps in coverage.

Finally, the inherent financial challenges and difficult local contexts may affect the achievement of mutually reinforcing contributory objectives aimed at reducing HIV incidence reduction among key populations.

- Due to financial resource constraints, there are competing priorities between the desire to expand HIV primary prevention efforts and the pressing need to maintain and expand testing, treatment, and vertical transmission prevention programs to meet the 2025 targets.
- In many countries where the Global Fund allocates resources, the existence of punitive and discriminatory laws and policies hinders access to essential healthcare services for key populations. For instance, all five countries selected for case studies maintained punitive criminal laws targeting one or more key population groups. To succeed in implementing prevention interventions for key populations, the Global Fund should monitor and adapt implementation arrangements across the portfolio.

To achieve the strategic objectives for HIV, the Global Fund needs to work with countries to (i) find a balance for the core principle of country ownership, and (ii) prioritize and clarify the enhanced support for priority countries. Not addressing these challenges could limit scaling up interventions to achieve expected impact on HIV incidence reduction.

³⁷ Five prioritized countries (India, Tanzania, Madagascar, Congo and South Sudan) have no planned HIV prevention-related catalytic investments allocation

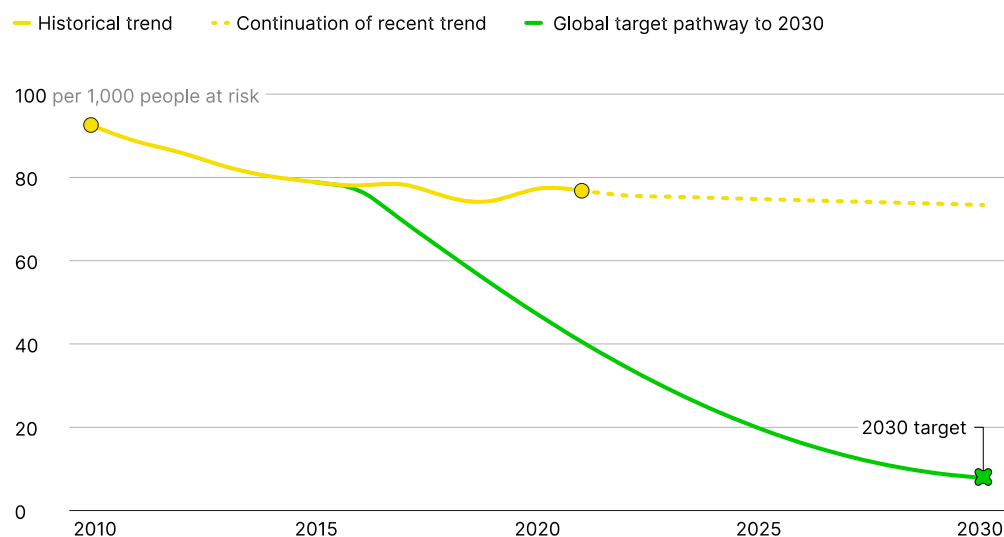
4. Audit findings

Strategy aligned grants

Malaria Incidence: Opportunities for the creation of consolidated, prioritized, and differentiated plans for incidence reduction

Despite continuous progress over time, key global milestones for reducing malaria cases were not achieved as of 2022. According to WHO data, malaria case incidence in 2022 was 58 cases per 1,000 people at risk, significantly higher than the target of 26 cases per 1,000. This deviation means that the world is currently 55% off track in achieving the Global Technical Strategy (GTS) 2025 malaria eradication target. If the current trajectory continues, by 2030 global targets could be 89% off track.³⁸

FIGURE 19
Comparison and trajectory of global progress in malaria case incidence against GTS targets³⁹



38 World malaria report 2023. Geneva: World Health Organization; 2023. License: CC BY-NC-SA 3.0 IGO.

39 Source: Strategy Implementation. Acceleration into Grant Cycle 7 (Secretariat presentation to 50th Board Meeting) - GF/B50/08

40 2023 OIG audits in Uganda, Cote d'Ivoire, Malawi, Ethiopia and Benin

41 Malaria Team Update to the 23rd Strategy Committee Meeting (GF/SC23/14A) – October 2023

42 The Malaria Matchbox is an assessment toolkit designed to ignite equity in malaria programs, by correlating data on populations' access and utilization of healthcare services with countries' malaria programming across the continuum from control to elimination (Source: Malaria Matchbox Tool)

Disruptions to malaria control services during the COVID-19 pandemic in 2020 and 2021 contributed to an increase in malaria-related deaths and cases. This was exacerbated by funding constraints, hindering the expansion of crucial interventions. In addition, the emergence of biological threats – such as gene deletion, drug and insecticide resistance – threaten to undermine the Global Fund Partnership's ability to control the disease. Further, the impact of climate change on mosquito populations and distribution increases the risk of malaria spreading to new regions.

2023 OIG audits have identified implementation challenges including suboptimal execution and monitoring of vector control interventions, such as delayed distribution and low use of bed nets.⁴⁰

The Global Fund Secretariat is aware of the emerging biological threats, financing and programmatic challenges and has identified various mitigation actions to address them, as summarized in Figure 20 below.

FIGURE 20
Summary of mitigations to malaria control challenges⁴¹

Financing challenges	Case management challenges	Vector control challenges
<ul style="list-style-type: none"> ● Exploring all funding options including working with partners and exploring C19RM reprogramming ● Optimizing investments including sub-national tailoring ● Addressing unit costs including working with partners on the Revolving Fund ● Prioritizing highest impact interventions 	<ul style="list-style-type: none"> ● Diversifying ACT Portfolios including considering multi first-line strategies ● Supporting surveillance to enable informed decision-making such as Therapeutic efficacy surveys (TES) and HRP2/3 gene deletion surveys ● Addressing critical barriers through Market Shaping 	<ul style="list-style-type: none"> ● Scaling up coverage of effective vector control ● Addressing critical market barriers to most effective tools ● Supporting surveillance to enable informed decision-making

The Global Fund Secretariat is also aware of the challenges associated with equity, human rights, and gender equality, leading to underserved populations. The Malaria Matchbox⁴² assessments in over 25 countries highlighted efforts to address these barriers, including technical assistance provided by the Roll Back Malaria (RBM) Partnership, funded through the Human Rights Strategic Initiative.

4. Audit findings

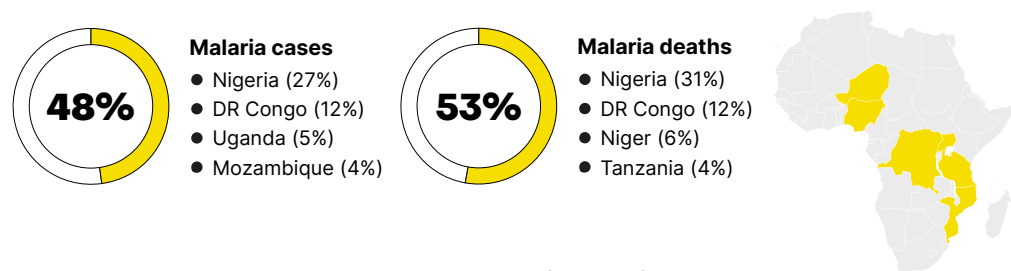
Strategy aligned grants

In addition, based on approval from the Board, the Secretariat increased the Malaria Program Quality risk appetite to “Very High”, and adjusted target risk time frames in response to the aforementioned malaria control challenges. This adjustment is meant to allow the Board, Technical Review Panel (TRP), and Secretariat to make informed investment decisions based on risk assessment. This includes investing in more expensive tools, even if it means reducing coverage, and rolling out new tools and innovations despite potential challenges.⁴³

The Global Fund has identified and started implementing some of the mitigation actions. However, there is no specific consolidated and prioritized plan to guide and monitor implementation of actions to improve the trajectory and maximize impact. Besides the funding allocation and reliance on country prioritization through funding requests, the Global Fund has not defined a tiered approach to provide comprehensive targeted support to priority countries. Unlike for HIV and TB, the Global Fund has not adopted or defined a similar approach for malaria. Currently, the technical malaria team provides technical advice and support to the entire malaria portfolio with limited differentiation. The nature and extent of support can vary due to the limited number of malaria technical disease advisors,⁴⁴ covering 68 grant portfolios plus multiple thematic areas. A tiered approach could provide an opportunity for the technical advisors to differentiate the nature of support and target resources and efforts to priority countries that have the highest disease burden and strategic impact.

The effectiveness of malaria control efforts is hindered by a lack of prioritization and tracking of mitigation actions. While malaria cases and deaths are dispersed across many countries, most of the malaria cases and deaths are concentrated in a small number of countries, indicating that a focused approach is necessary. In 2022, four countries

FIGURE 21
Concentration of global malaria cases and deaths⁴⁵



43 Recommendation on Amendment to Risk Appetite Statement (GF/B50/03) – November 2023

44 The malaria technical team has four senior disease advisors supporting 68 grant portfolios plus multiple thematic areas. In addition, two advisors with contracts until December 2024 are embedded in GMD to provide dedicated support to the High Burden High Impact (HBHI) response element in select portfolios

45 Data from WHO World Malaria Report 2023

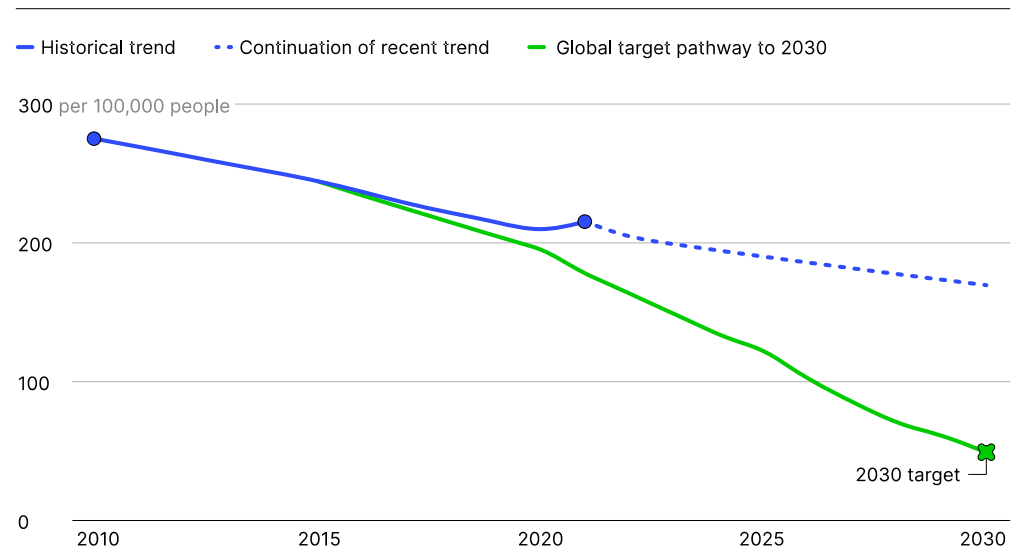
46 Source: Strategy Implementation. Acceleration into Grant Cycle 7 (Secretariat presentation to 50th Board Meeting) - GF/B50/08

accounted for over 50% of malaria deaths globally. Similarly, four countries contributed to nearly half of all malaria cases worldwide. This uneven distribution highlights the need for a targeted approach to malaria control to achieve global impact. The High Burden to High Impact (HBHI) approach, developed by WHO and the RBM Partnership, aims to focus resources and efforts on these high-burden countries.

TB Incidence: Ongoing monitoring of the TB incidence reduction plan required to achieve TB-related strategic objectives

The Global Fund’s new Strategy for TB incidence reduction sets ambitious goals to accelerate progress and meet the SDG targets by 2030. However, progress against the WHO END-TB strategy milestone targets is significantly off-track. While TB incidence has decreased compared to 2010, the rate of decrease has been slower than the targets set. For TB incidence, by 2021 there was a 10% reduction against a target of 20% by 2020 (50% by 2025). While Global Fund support has contributed to significant progress on TB over the past 20 years, the new Strategy acknowledges the impact of the COVID-19 pandemic, particularly exacerbating existing inequities, diverting critical resources, and slowing access to prevention and treatment activities for TB care and derailing global TB progress.

FIGURE 22
TB incidence rate: progress towards the WHO target⁴⁶

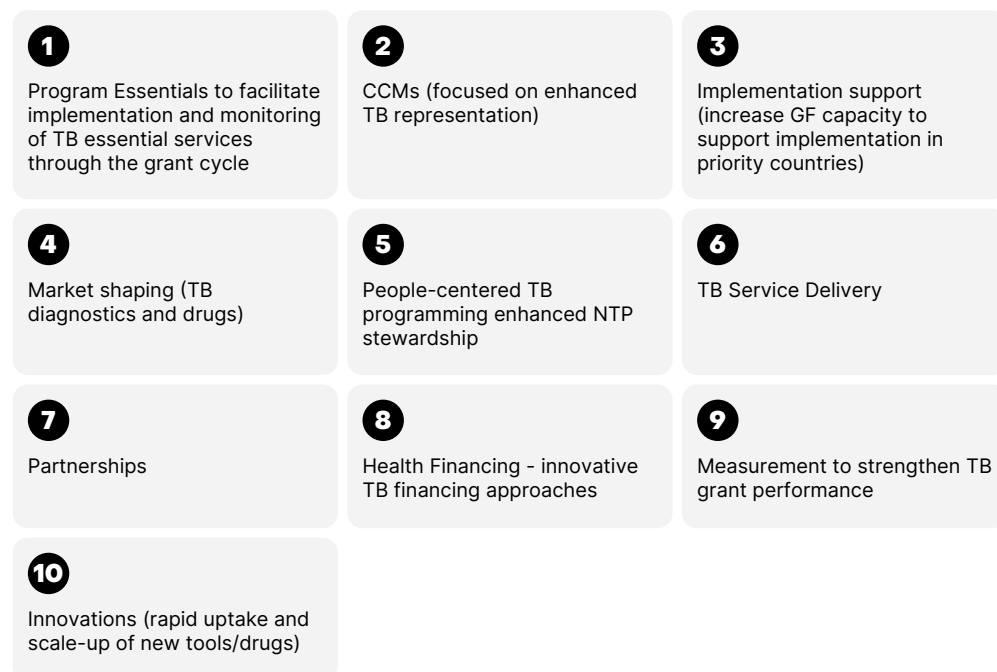


4. Audit findings

Strategy aligned grants

Recognizing the need to address current challenges, the new Global Fund strategy sets an ambitious path in developing key strategic priorities for TB under the primary goal to end TB. The Secretariat's strategic planning for TB incidence reduction is well designed. To prepare for the new TB strategic objectives, the Global Fund Secretariat has taken proactive steps. The Strategy Delivery Working Group on TB Incidence Reduction considered all five TB strategic priorities under each work area. It has also identified change levers throughout the grant life cycle to operationalize TB strategic priorities under the new Strategy. The Secretariat has adopted a tiered approach to provide comprehensive proactive support during the grant life cycle to 20 High TB burden countries. In addition, quarterly analysis is conducted for the same 20 countries to assess performance against targets, discuss progress and tailor solutions during TB partner situation room meetings.

FIGURE 23
TB incidence reduction workstreams



The TB incidence reduction working group endorsed 10 workstreams as detailed in Figure 23 for incidence reduction but 50%⁴⁷ of them depend on future developments/innovations. Success of workstreams such as Next Gen Diagnostics, TB Vaccines, and Antigen-based skin tests will depend on rapid scale-up and uptake during implementation. Given that the preparatory workstreams were implemented in the run-up to the funding request application stage, there is a need for the Secretariat to follow-up on the operationalization of the aforementioned workstreams at an organization-wide level during GC7 implementation. Failure to effectively execute these workstreams could hinder the overall success of the Strategy and undermine its intended impact. This represents a potential future risk, which depends on timely and proactive monitoring and follow-up to ensure that this risk does not materialize.

Previous OIG audits have identified implementation challenges relating to TB programs: low TB case detection and inadequately focused interventions targeting private providers in countries with a large private sector; inadequate sample transportation networks that were either fragmented or limited in coverage; as well as maintenance issues that have impacted GeneXpert utilization rates.⁴⁸ The historic TB program implementation challenges emphasize the need to follow-up on the defined strategies to ensure successful implementation of TB incidence reduction activities.

2. Community-Led and -Based Responses

Clear articulation of how to empower community-based/community-led organizations, however limitations in policy levers may hinder their inclusion in implementation

The 2023-2028 Global Fund strategy places a strong emphasis on empowering communities living with and affected by the three diseases, addressing barriers to their effective participation and leadership, and ensuring their centrality in grant programming.

Throughout the new Strategy narrative, the Global Fund aims to enhance its engagement with community-based and community-led organizations (CBOs/CLOs) by supporting gender transformative programming, increasing investments in HIV service integration, enhancing comprehensive technical support on health financing, exploring new tools and technologies, expanding access to care, and leveraging community-led innovations.

47 These include (i) Market shaping (TB diagnostics and drugs); (ii) People-centered TB programming enhanced NTP stewardship; (iii) Innovations (rapid uptake and scale-up of new tools/drugs); (iv) Partnerships, and (v) Health Financing - innovative TB financing approaches

48 The 2023/24 OIG VfM Audit of Global Fund investments in Health and Laboratory-related equipment in Ghana, Malawi, Vietnam, Thailand, Cambodia, Indonesia, Bangladesh and Philippines

4. Audit findings

Strategy aligned grants

FIGURE 24
Examples of CBO/CLO engagement in the 2023-2028 Strategy narrative



To ensure stronger emphasis on involving CLOs/CBOs in grant design and implementation – a range of guidance documents including internal policies and processes – were either developed or updated for GC7. These include, but are not limited to, the following:

- The **updated RSSH information note** encourages applicants to identify community systems and community-related health responses and interventions that can help address gaps and issues relevant to the country context. This includes determining gaps in service delivery and modalities to prioritize investment in community-based and community-led platforms for service delivery and responses that are critical in addressing inequity in access to health services amongst key and vulnerable populations.
- Applicants are required to demonstrate community engagement and leadership during the development of funding requests. This is expected to be reflected in two new annexes that are required to be submitted with funding requests. The **Funding Request Priorities from Civil Society and Communities Annex** lists the needs and requests identified during funding request development, and whether these were prioritized for inclusion under allocation funding or the PAAR. The **Country Dialogue Narrative Annex** includes descriptions of the structure of and participation in the country dialogue used to inform the development of the funding requests.
- The Global Fund developed a **decision-making guide** for applicants to support the conceptualization and design of effective community systems strengthening (CSS) interventions for HIV, TB and malaria for inclusion in the Global Fund funding request.
- The **Operational Policy Note (OPN) on Design and Review of Funding Requests** was revised to encourage Principal Recipients to select CLOs – including those led by key and vulnerable populations – and CBOs as sub-recipients, provided they have appropriate capacity.
- The **OPN on Make, Approve and Sign Grants** was revised to emphasize consideration of civil society and community funding priorities in grant design. It also included a requirement for the CCMs to convene two meetings during the grant design process for Principal Recipients to brief the CCM (including community and civil society representatives) on the grant design. As a best practice, the OPN recommended that: (i) that Country Teams convene a special meeting during grant design to brief and receive feedback from community and civil society representatives; and (ii) community and civil society representatives participate in grant negotiations.
- The Global Fund's **Integrated Risk Management (IRM) module** was revised to include a sub-risk on "Community Systems" with a specific focus on community-led responses. This enables systematic assessment of key root causes of risk and establishment of mitigation measures to better support the Global Fund Partnership's ambitions with respect to community responses.

4. Audit findings

Strategy aligned grants

Through the **Community Engagement Strategic Initiative**, the Global Fund provides technical assistance to civil society and community organizations to meaningfully engage in Global Fund processes, including during country dialogue, funding request development, grant-making, and grant implementation and oversight. In addition, this Strategic Initiative supports civil society and community engagement in national processes that relate to the Global Fund, such as National Strategic Plan development for the three diseases.

However, there are limitations in policy levers for implementing service delivery by CBOs/CLOs. The Global Fund prerequisites for minimum programmatic, financial, and management capacities and systems – such as annual turnover, relevant experience and track record, management structure and qualification of key personnel – may preclude CBOs, CLOs, and key population organizations implementing grant programs. This implies that there is need for more capacity building of these organizations as they often lack the technical, financial and managerial competence to meet Global Fund requirements. The GC7 modular framework allows for applicants to include activities to strengthen CLO/CBO capacity in funding requests under the Community Systems Strengthening (CSS) module. As of May 2024, a total of US\$31 million (25% of total funding for CSS) was budgeted for capacity building and leadership development intervention across 53 grant portfolios for GC7.

The Global Fund offers limited structures to directly fund CBO/CLOs. The OPN on Design and Review of Funding Requests encourages Principal Recipients to pursue result-based contracting arrangements with CLOs/CBOs for key programmatic areas, where appropriate. The Principal Recipient Handbook for Grant-making in GC7 provides Principal Recipients guidance on why, when and how to contract CBOs/CLOs for program and service delivery. Funding is possible through Activity-based Contracting (ABC) arrangements or through direct contracting as service providers or sub-sub recipients. However, according to the Global Fund Operational Guidance for Grant Budgeting (February 2023), ABC has a minimum threshold of US\$1 million annual turnover, which may be out-of-reach for many smaller CBOs. At the time of the audit, the guidelines for Grant Budgeting was being revised, and the operational guidance for ABC and Payment for Results (PfR) was under development. This is an opportunity to define and apply the right trade-offs between fiduciary risks associated with communities programs and the benefit they provide in dealing with key and vulnerable populations.

3. Human rights and gender equality

The Global Fund has included interventions to reduce human rights-related barriers as program essentials for HTM and introduced requirements for the submission of human rights and gender assessment annexes for funding requests. However, there is inconsistent application of gender and human rights assessments to inform programming and intervention prioritization in GC7 funding requests.

The 2023-2028 Strategy recognizes that the Global Fund's ability to make a sustainable impact on the three diseases depends on its ability to address inequities in access to healthcare, and human rights and gender-related barriers that affect key, vulnerable and underserved populations. This requires scaling up programs and approaches to remove these barriers and leverage the Global Fund Partnership's diplomatic voice to promote more equitable, gender-responsive, and rights-based responses.

The Global Fund has included interventions to reduce human rights-related barriers as program essentials for HIV, TB, and malaria. This means that countries receiving funding for GC7 are required to report on the status of these programs and include plans for implementation within the funding requests. The Secretariat also introduced requirements for human rights and gender assessment annexes to be submitted (if available) alongside the funding request. Countries are required to present gender barriers, why they exist, how they impact health outcomes and how they will be addressed by the program in the funding request narrative. The Secretariat also introduced the Gender Equality Marker (GEM) to be assessed by the TRP. The GEM is meant to measure, track and report on grant contributions to advancing gender equality.

The Global Fund introduced two new strategic KPIs (i.e., KPI E3a and E3b) to measure engagement of women and gender diverse communities, and grant performance relating to gender equality for 2023-2028. Specifically, KPI E3b tracks the performance against targets of indicators focused on women, girls and trans or gender diverse communities. Therefore, each High Impact and Core portfolio is required to have a minimum of one gender-specific indicator per disease component in their Performance Framework.

The Gender Equality Fund was set up as a joint initiative with the Global Fund together with private sector partners to complement investments in gender equality and human rights.⁴⁹ The Gender Equality Fund aims to empower women, girls, and gender-diverse communities by financing their participation in national-level decision-making, advocacy efforts, and healthcare initiatives. The fund also strengthens organizations led by these groups and provides them with core and sub-grants to support their ongoing work.

In addition, the Global Fund continues to support the HER Voice Fund, which provides small grants to organizations in 13 priority countries to amplify the voices of adolescent girls and young women to influence decisions that affect their lives, including through training,

⁴⁹ Initial investment of up to US\$7.5 million over three years from Viiv Healthcare and GSK, with the aim to welcome more partners and donors in future. Funding initially open to organizations, networks, and consortia working in the 7 countries (i.e., Democratic Republic of the Congo, Eswatini, Lesotho, Mozambique, Nigeria, Uganda, and Zambia), with an ambition to expand should additional funding become available

4. Audit findings

Strategy aligned grants

mentoring, and participation in advocacy campaigns. The fund supported 49 AGYW to participate in CCM-level meetings and 83 to participate in NSP consultations for GC7.

Compared to GC6, funding requests for GC7 showed an improvement in addressing gender equality. TRP Quality Surveys in Windows 1 and 2 awarded scores of 69% for gender equality in GC7, compared to 58% in GC6. However, the TRP reported sporadic mention or insertion of the Global Fund Strategy language throughout some funding requests for GC7. These did not necessarily translate into interventions for differentiated services and budgets in the allocation, specifically for human rights, gender, and health equity. The TRP further observed that in some instances, human rights and gender assessments were either poorly reflected in the funding request, or not used at all. Investments for equity, human rights, and gender were commonly placed in the Prioritized Above Allocation Request (PAAR).

In some cases, there is a lack of comprehensive data, such as a nationally representative Integrated Biological-Behavioral Surveillance Survey (IBBS), to inform program design, which creates a barrier to effective programming. Criminalization of key population and/or HIV transmission (including sex workers, people who use drugs, and people living with HIV) undermine access, uptake and retention in services. In addition, discriminatory criminal laws based on sexual orientation and gender identification in some implementer countries impact access to health services for key affected populations. Consequently, countries that criminalize specific key affected populations are less likely to prioritize interventions specifically aimed at tackling human rights barriers faced by those same groups within their funding requests.

Based on GEM, 47% of all funding investments includes a gender focus. Although the new Strategy has a specific emphasis on gender and health equity, submission of gender assessments is not standardized or mandatory, only recommended. While the share of GC7 funding investments targeted towards gender is comparable⁵⁰ with other development aid for gender equality and women's empowerment, there is no theory of change model that adequately explains investment approaches to gender responsive and transformative grant activities.

Without a well-defined system of evaluation, and a comprehensive approach to gender equality, gender-responsive and gender-transformative investments may overlook crucial insights into its overall effectiveness and potential for improvement. However, a mid-cycle evaluation to assess progress being made on gender responsive programming will be undertaken by the Global Fund Evaluation and Learning Office (ELO) in 2025, with lessons learned expected to address any challenges identified.

4. RSSH and PPR interventions

Significant scale and complementarity between GC7 and C19RM investments, but there are sustainability concerns for interventions on Pandemic Preparedness and Response (PPR) and RSSH.

According to the new Strategy, the Global Fund aims to maximize people-centred, integrated systems for health in support of the Strategy's primary goal of ending the three diseases and broader outcomes to deliver impact, resilience, sustainability, and promote achievement of universal health care (UHC). The Global Fund also aims to contribute to PPR to help countries better prepare for future pandemic threats to reduce the risk that subsequent pandemics further derail progress against HIV, TB & malaria (HTM) and broader global health goals.

To achieve the PPR and RSSH strategic objectives, an integrated approach involving enhanced investments from the Global Fund, domestic governments, and other donor partners is essential. However, the strategy ambition on RSSH and PPR is constrained due to limited funds, and the emphasis of systems strengthening over support depending on country context. Implementer capacity and coordination challenges, detailed in finding 4.4, are affecting the achievement of the RSSH and PPR ambition.

RSSH program continuity and sustainability – system strengthening and system support at country level: the Global Fund has significantly invested in RSSH activities to support the HTM programs. The Global Fund Strategy 2023-2028 emphasizes the importance of systems strengthening over support wherever appropriate to promote greater sustainability and the long-term impact of investments.⁵¹

Support activities improve HTM outcomes primarily by increasing inputs – salaries, vehicles, hardware, meetings, one-off trainings, etc. These are critical in the fight against the three diseases, especially in countries where financial and human capacity is low. They can indirectly contribute to broader health system strengthening by reducing the hospitalization burden of HTM on points of care. While both supporting and strengthening the health system are necessary and important, the Global Fund recommended increased focus on health system strengthening for GC7 grants.⁵²

⁵⁰ According to OECD-DAC members data, In 2021-2022, 43% of bilateral allocable ODA by OECD DAC members had gender equality as a policy objective. Specifically, share of aid for the Health sector with gender equality objectives is 51%. (Source: [OECD Development finance for gender equality and women's empowerment](#) – accessed 12 May 2024)

⁵¹ [The Global Fund Strategy \(2023-2028\) – Page 30](#)

⁵² [RSSH Information Note \(2023-2025\) allocation](#)

4. Audit findings

Strategy aligned grants

In GC6, the majority (80%) of direct RSSH investments related to (i) health management information systems and M&E, (ii) health product management systems, (iii) human resources for health, including community health workers, and (iv) community systems strengthening. However, over 60% of RSSH investments related to salaries, per diem, transport and other costs for supervision, meetings, training, IT, technical assistance, and incentives for healthcare workers. While these investments are critical to support the fight against the three diseases by filling the gaps, they contribute less to long-term systems strengthening.

In GC7 (as of May 2024), a similar trend was maintained for direct RSSH investments but with increased investments in laboratory systems, accounting for 9% of total RSSH budget. However, there has been significant scale up of RSSH-PPR interventions through the C19RM investments. Following Board approval of extension of funding through 31 December 2025, there was a shift of C19RM funding priorities from emergency response to longer-term investments in health system infrastructure and capacities for pandemic preparedness and response. More than half of 2024-2025 RSSH-PPR investments (excluding program management costs) through C19RM relate to system strengthening. A significant proportion of funding through C19RM relates to laboratory systems, surveillance systems and health products and waste management systems with over 45% of investments in medical oxygen, health and non-health equipment and renovations/constructions. Refer to Figure 25 (a) and (b) below for breakdown of GC7 direct RSSH investments and C19RM 2024-2025 by intervention.

While some clarity is provided in the Information Note on RSSH on what constitutes support interventions, there is an opportunity to define further on what the Global Fund considers support and strengthening interventions (e.g. at the grant module level).

FIGURE 25(A)

Breakdown of GC7 direct RSSH Investments by module and C19RM 2024-2025 by intervention

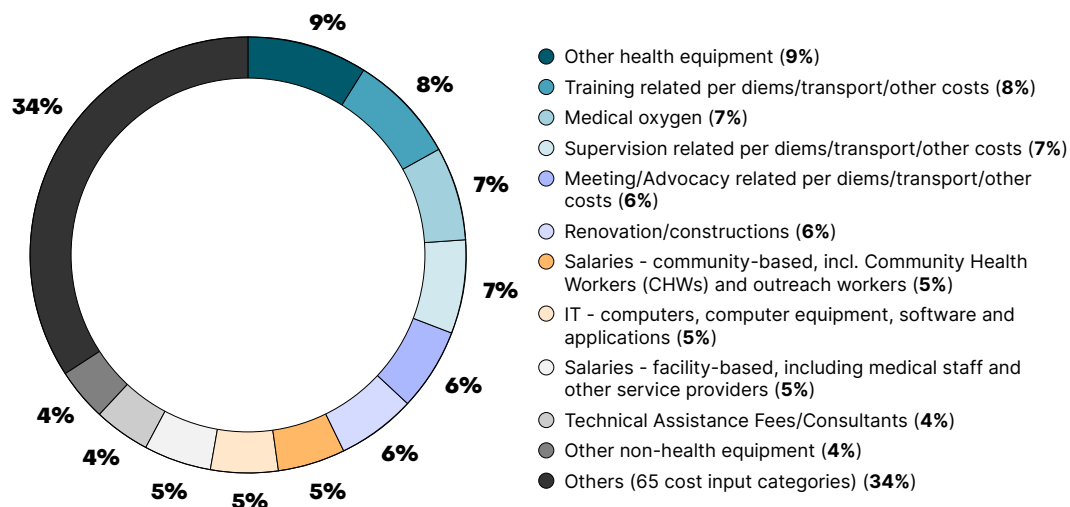
GC7 RSSH Modules	Amount (US\$, million)	%
Monitoring and evaluation systems	413	32%
Human resources for health (HRH) and quality of care	326	25%
Health products management systems	191	15%
Community systems strengthening	121	9%
Laboratory systems (including national and peripheral)	117	9%
Health financing systems	67	5%
Health sector planning and governance for integrated people-centered services	58	5%
Medical oxygen and respiratory care system	0.5	0%
Sub-total	1,293	100%
C19RM 2024-2025 Interventions		
Case management, clinical operations and therapeutics	542	30%
Laboratory systems	349	20%
Surveillance systems	197	11%
Health products and waste management systems	195	11%
Infection prevention and control, and protection of the health workforce	66	4%
Community health workers: Selection, pre-service training and certification	65	4%
Others (15 interventions) ⁵³	371	21%
Sub-total	1,785	100%
Grand total (GC7 & C19RM)	3,078	

⁵³ Among these 15 different interventions are COVID-19 diagnostics and testing, mitigation for TB, HIV and Malaria programs, community systems strengthening and country-led coordination and planning.

4. Audit findings

Strategy aligned grants

FIGURE 25(B)
Cost inputs related to GC7 direct RSSH investments and C19RM 2024-2025



With the significant scale-up and complementarity between GC7 and C19RM investments, the Global Fund has increased its investment in system strengthening compared to system support at country level. However, given that the bulk of the system strengthening activities are through C19RM, there is a sustainability risk beyond December 2025.

In the long term, there are challenges in shifting from interventions that support the health system to ones that strengthen the health system due to the need to balance the country ownership principle, program continuity and sustainability considerations. While the TRP observed an increase in quantity and quality⁵⁴ of RSSH investments in GC7 compared to GC6, they noted that investment focus is still on health system support.

Sustainability and strategic ambition constraints for PPR interventions: The Global Fund guidance describes PPR-related investments in the context of broader RSSH considerations, emphasizing integration of investments such as strategic information and human resources, strengthening community systems and community health worker support, standardizing essential elements of supply chain and laboratory systems, and addressing specific products like oxygen investments. The C19RM information note delves into pandemic preparedness and response in greater detail. The C19RM funding

request details further how implementation arrangements are being developed to ensure that PPR and related RSSH entities are actively involved in grant implementation. It also requires endorsement by the national epidemic and pandemic preparedness coordinator.

GC7 Funding Requests were much lower on PPR ambition, with limited investments in this area due to C19RM reinvestments in PPR. The TRP observed that among GC7 funding requests, which included investments in pandemic preparedness, appropriate investments were being made and they complemented C19RM investments. Realization of long-term impact of RSSH-PPR interventions depends on sustained investment over time, fostering country ownership, and collaborative efforts from various stakeholders. There is risk that the PPR-related investments will not continue beyond December 2025 given that the bulk of funding is through C19RM.

Despite contributing to PPR being one of the new strategic priorities, there are sustainability risks to the Global Fund Secretariat workforce capacity in relation to PPR. While other teams supporting strategic RSSH priorities – like laboratory and human resources for health – are funded through operating expenditure (OPEX), the PPR sub-team within the Technical Advice and Partnership department is either entirely funded through C19RM (until December 2025) or is loaned-in through a bilateral donor. For PPR goals to be realized, the Global Fund may need to reprioritize internal resource allocation to this area. However, the new Strategy narrative recognizes that there are significant synergies to be gained by integrating PPR across the Global Fund portfolio, but that more and additional funds will be required if the Global Fund is to fully deliver on this evolving objective and avoid diluting work in fight HTM.

The Global Fund contributes to strengthening of health systems and pandemic preparedness by both directly investing in RSSH components and supporting disease-specific contributory RSSH investments. Generally, the Global Fund contributes less share of direct investments in RSSH compared to HTM due to resource constraints. In addition, the Global Fund allocates resources to HTM through a Board-approved allocation methodology. Countries make decisions on how to apportion the funds between the three diseases during country dialogue, which includes decisions around dedicating funding to RSSH, whether direct or contributory through disease investments. While the Global Fund's direct investments in RSSH focus specific areas of strength and strategic relevance, country level prioritization due to overall funding landscape and health system maturity limits the Secretariat's ability to guide the design of RSSH interventions to ensure alignment with the Global Fund strategy. These decisions require careful consideration of trade-offs between RSSH and sustaining lifesaving disease interventions given the constrained funding environment.

54 The TRP observed strategic focus on RSSH in 85% of Window 2 funding requests recommended for grant making, 8 points higher than in Window 1 and 14 points higher than GC6 allocation period

4. Audit findings

Financial resources

4.2 The Global Fund Model has been successful in raising funds resulting in consistent increased replenishment outcomes, but the last replenishment does not cover strategy needs. Better prioritization and articulation of trade-offs, as well as (i) maximizing use of set asides and catalytic funds, (ii) keeping focus on domestic resource mobilization and (iii) further embedding VFM framework needed to deliver on the ambitious mandate.

4.2.1 Since inception, the Global Fund's success in delivering on its mission has consistently driven increased replenishment outcomes, with a record US\$15.7 billion raised in 2022. However, the last replenishment did not cover the full financial needs outlined in the investment case.

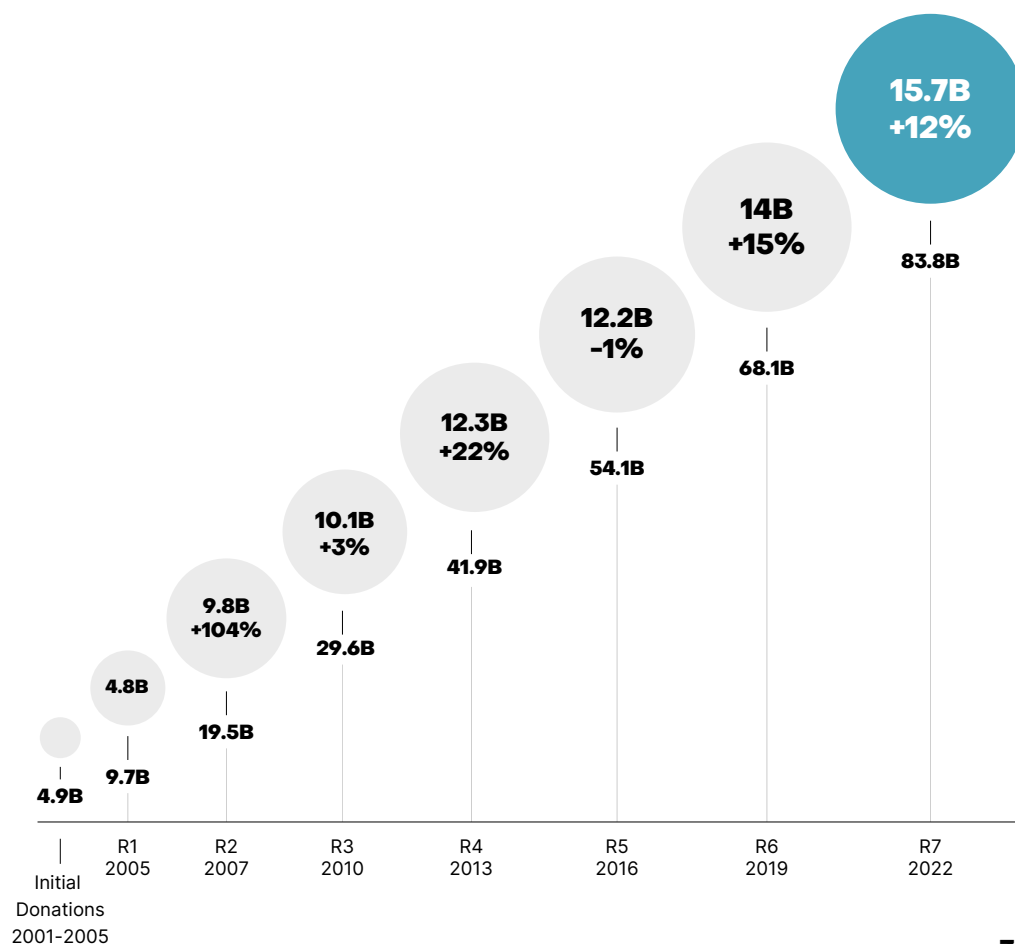
The 2023-2028 Strategy mission is to attract, leverage and invest additional resources to end the epidemics of HIV, TB and malaria, reduce health inequities and support attainment of the SDGs.

Every three years, the Global Fund undertakes a replenishment of resources to deliver its ambitious strategy, which has several external interdependencies such as country ownership and domestic resource mobilization. Through the replenishments, governments, the private sector and foundations pledge funds to support the Global Fund mission. In preparation for the replenishment pledging conference, the Global Fund Secretariat develops an investment case that describes the organization's funding need, priorities and strategies for the next funding cycle.

The Global Fund also engages various stakeholders across the Partnership to advocate for funding. The Global Fund also relies on independent "Friends" or associations to raise awareness, advocate, and mobilize support for ending AIDS, TB, and malaria. These organizations advocate with specific donor governments, parliamentarians, key influencers and the private sector to increase international financing for the Global Fund.

Since its creation in 2002, the Global Fund has raised over US\$84 billion⁵⁵ in pledges from donors. Funding has grown with every replenishment reaching a high of US\$15.7 billion in the last replenishment (refer to Figure 26 below). This continuous growth is driven by the Global Fund's impact fighting the three diseases as detailed earlier. It is also an indication of continued donor confidence in the Global Fund Model, as well as its mission and ability to deliver results.

FIGURE 26
Evolution of Global Fund pledges 2001-2022, US\$, announced



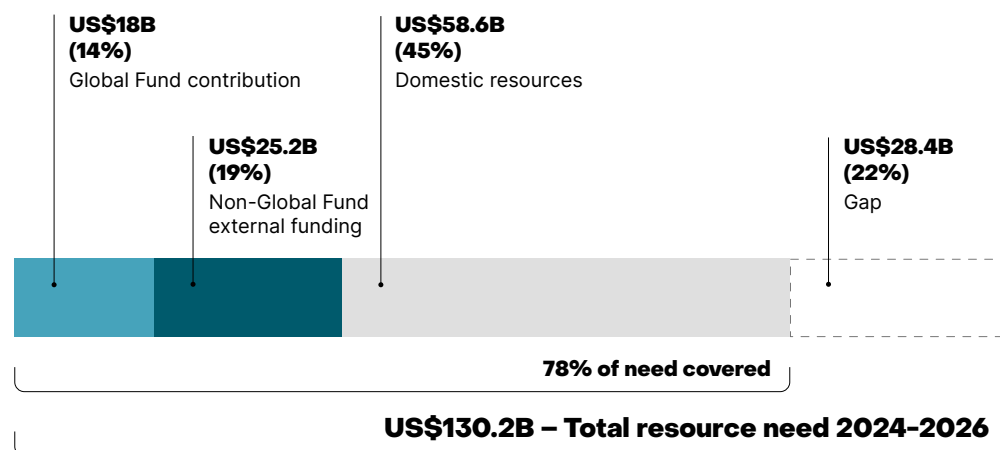
55 For comparison purposes, the Sixth replenishment amount excludes pledges of US\$4.6 billion for C19RM

4. Audit findings

Financial resources

The new Strategy covers two grant cycles (i.e., 2023-25 and 2026-28) financed through the Seventh (held in 2022) and Eighth (planned for 2025) replenishments. According to the Global Fund's Investment Case for the Seventh Replenishment, the projected resource needs for HIV, TB and malaria in countries where the Global Fund invests is US\$130.2 billion for the period 2024-2026. The need was projected to be financed through domestic resources (45%), Global Fund contributions (14%), other donor partners (19%) with a funding gap of US\$28.4 billion (22%).

FIGURE 27
Financial resources needed for the 2024-2026 period



Source: Global Fund's investment case for the Seventh Replenishment

While the target for the Seventh Replenishment was to raise at least US\$18 billion, the Global Fund raised a record total of US\$15.7 billion (87% of target). Therefore, the actual funding gap is higher than projected due to the shortfall between the Seventh replenishment needs and the outcome. This is further exacerbated by financial constraints and significant macro-economic challenges faced by both implementer and donor countries.

The Global Fund has in place strategies to continue to mobilize additional resources post replenishment, including domestic financing and innovative financing mechanisms as follows:

- **Continue to mobilize funds throughout GC7 from both public and private donors.** This includes focus on public & private sector donors that did not pledge for the 2023-2025 period. In addition, the Secretariat has prioritized the expansion of fundraising to high-net-worth individuals and private foundations.
- **Maximize innovative financing and other modalities** – such as Blended Finance (BF), Debt2Health (D2H)⁵⁶ and other modalities to complement replenishment funding.
- **Catalyze domestic resource mobilization for health by bolstering domestic financing advocacy and strengthening co-financing efforts.** The Secretariat has taken steps to improve ongoing monitoring of co-financing requirements for GC7. The Global Fund updated co-financing processes by including a mandatory requirement for a commitment letter endorsed by a government budget holder to be submitted alongside funding requests. The operational guidance on co-financing was updated to guide grant making for GC7.
- **Utilizing funding from C19RM extension up to December 2025 to continue support for RSSH/PPR and ensure synergies with C19RM and GC7 funding.** Over US\$2 billion of C19RM investments expected to fund longer-term investments in health system infrastructure and capacities for pandemic preparedness and response.

However, the above approaches do not fully tackle the challenges posed by the funding gap. Historically, post replenishment resource mobilization is challenging due to restricted fiscal space and the three-year replenishment cycle, limiting time for GC7 mobilization. There is limited funding available to support innovative investments. This hampers the Global Fund's ability to fully exploit these levers, meaning that funding for blended and joint financing must be met using grant allocations. Given the constraints of the Global Fund's three-year grant cycle, there is a limited time window to identify candidate agreements and synchronize investments with partner institutions.

In 2023, the Secretariat completed a lessons learned exercise from the Seventh replenishment and started early preparations for the Eighth replenishment through a cross-functional Secretariat working group. The lessons learned, including the high-level action plan for the Eighth replenishment, were presented to the Board in November 2023.

⁵⁶ D2H is as an innovative approach to debt cancellation where individual creditor countries would cancel debt with specific debtor countries and together agree to contribute a percentage of this amount to Global Fund programs in the debtor country, resulting in an increase of funding available for Global Fund programs in the debtor country.

4. Audit findings

Financial resources

4.2.2. There are ongoing efforts to prioritize Seventh replenishment resources but there is an opportunity to further assess, articulate and communicate the impact of funding trade-offs on the implementation of strategic priorities.

Despite the global macro-economic challenges, the Seventh replenishment outcome of US\$15.7 billion represents the largest amount raised by the Global Fund to date – an over 12% increase in pledges compared to the Sixth replenishment. However, the pledges fell short of the US\$18 billion target by 13%, requiring the Global Fund to prioritize and adapt its implementation of ambitious strategic objectives. As a result, and to protect the country allocations, the Board instead opted to approve reductions to catalytic investments (CI).

For the 2023-2025 grant cycle, following adjustments for bi-lateral set-asides, and other technical adjustments, the Board approved US\$13.1 billion for country allocations, a 3% increase compared to the Sixth replenishment. In addition, catalytic funding of US\$400 million⁵⁷ (55% reduction compared to US\$890 million in GC6) and an OPEX projection of US\$1.03 billion (10% increase from US\$930 million in GC6) was approved by the Board. Refer to Figure 28.

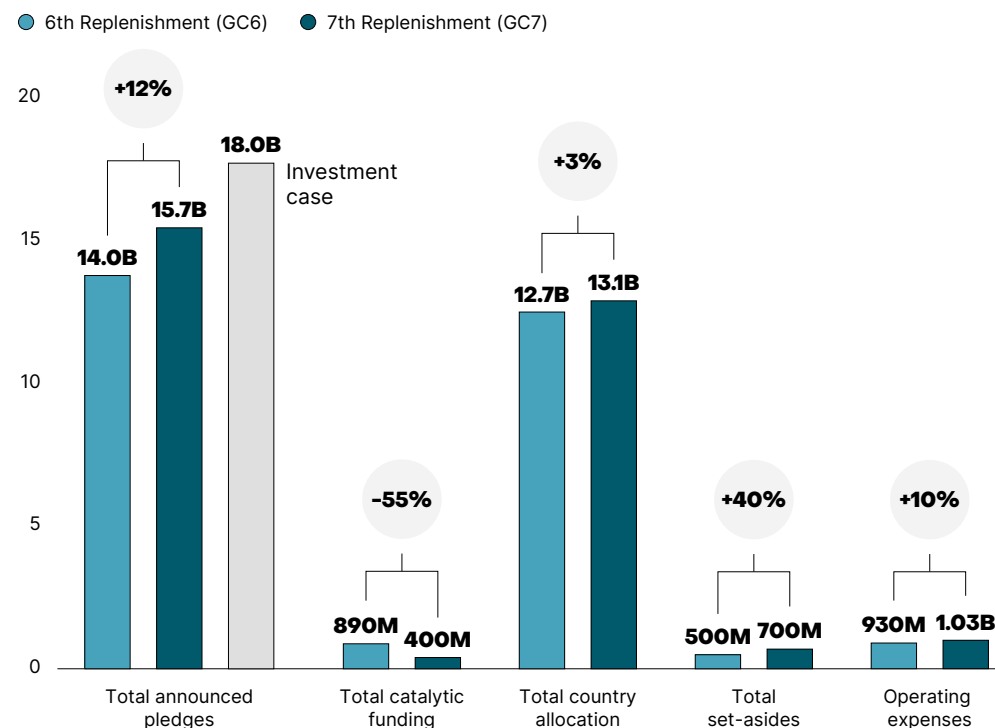
The prioritizations and trade-offs were made on OPEX and Catalytic Investments to mitigate impact on the country allocations for GC7. For country allocations, further prioritization was achieved by allocating available resources to countries using an allocation formula approved by the Board. The allocation formula distributed funds to each country primarily according to its share of the total disease burden of all Global Fund eligible countries. It considered the economic capacity of countries to give greater weight to those with lower capacity to fund responses to the three diseases and RSSH. The amounts derived from the formula were refined through a qualitative adjustment process to maximize the impact of Global Fund resources by considering key epidemiological, programmatic and other country contextual factors. At grant level, interventions and activities are prioritized based on country context and available funding. During the funding request and grant making process, countries decide how best to use the funds allocated through a country dialogue process involving governments, civil society, people affected by the diseases, technical partners, the private sector and other partners.

In terms of OPEX trade-offs, several Secretariat activities were either deprioritized or scaled down due to lack of operational funding in 2023. For instance, the Grant Management Division deprioritized in-country workshops for challenging operating environment countries and various grant life cycle launches including policy, process, system (e.g., Grant Operating System & Partner Portal) and data enhancements. The IT department also deprioritized application platform optimization and internal IT operations improvements.

In November 2023, the Secretariat presented a status report on progress on strategy implementation (Acceleration into GC7) to the 50th Board meeting. By November 2023, most countries had either submitted their funding request or were undergoing grant making, implying that grant level prioritization decisions had been made. While the Board presentation adequately summarized the status of implementation, as well as key challenges and mitigations across the respective strategic objectives, the Secretariat did not clearly articulate any further prioritization and trade-off options for the Board's steer.

The presentation instead invited Board members to offer general observations on GC7 preparations, broader partnership opportunities, and leveraging lessons learned in a changing landscape to address the current implementation challenges. This presented a missed opportunity to obtain strategic steer on navigating competing priorities and trade-offs from the Board.

FIGURE 28
Sixth⁵⁸ versus Seventh replenishment outcomes vs investment case



⁵⁷ Catalytic investments allocation will be complemented by US\$118 million in private sector co-investment for a total of US\$518 million

⁵⁸ Source: Adapted from Overview of bilateral set-asides and alignment with GC7 targets and the Global Fund Strategy (GF/SC21/13). For comparison purposes, Sixth replenishment amount excludes pledges of US\$4.6 billion for C19RM

4. Audit findings

Financial resources

Given that more than 70% of GC7 grants have been approved and signed, the Secretariat now has a clearer view of prioritization and trade-offs at the country level through grants. The Secretariat has the opportunity to further analyze and identify which strategic areas have been prioritized and deprioritized through country grants. This would not only allow the Secretariat to identify which specific strategic priorities are most at risk for implementation, but also allow the Global Fund to identify which areas should be scaled up should additional funding become available either through the next replenishment or other resource mobilization mechanisms. This would also help to clarify and align expectations between the Secretariat and the Global Fund partnership on what can reasonably be achieved with available resources.

4.2.3 Maximizing the bilateral set asides, optimizing value of catalytic funds and further embedding Value for Money framework remain critical to delivering the strategy.

Despite a successful replenishment leading to 12% more funds than the previous one, the nature of funding meant there was only a 3% increase in country allocations and 55% reduction in catalytic investments. The strategy is very ambitious and therefore the Global Fund's ability to maximize its replenishment resources is critical to achieving the objectives.

1. Bilateral Set-asides:

Inherent challenges with coordination and alignment of bilateral set-asides with Global Fund-funded programs

Bilateral set-asides refer to the funding that donors allocate directly to country partners, using a portion of their total contribution to the Global Fund, for use in addition to Global Fund-funded programs. In the Seventh replenishment, the total bilateral set-asides grew to approximately US\$700 million, representing a 40% increase over the Sixth replenishment. Set asides aim to provide targeted Technical Assistance (TA) and funding to address specific needs in eligible countries. Well aligned and coordinated utilization of these resources is critical to avoid duplication, fragmentation, and inefficient resource deployment.

While set-asides are meant to complement Global Fund programs, the limited span of control and different planning cycles among partners, impedes effective planning and coordination, and may lead to limited accountability and transparency.

Uncertainty of set-asides poses challenges to effective resource mobilization and program implementation: According to Secretariat estimates, as of March 2023, 70% (89 out of 127) of Global Fund-supported countries were eligible for set-asides. However, eligibility does not guarantee the actual receipt of TA or determine the extent and nature of support that countries will receive through set-asides. Some countries, such as the Democratic Republic of the Congo (DRC), Mozambique, and Vietnam, are eligible for more than three set-asides. About 30% of the 127 Global Fund eligible countries are not covered by any set-asides. This uneven allocation could exacerbate disparities in resource access and program effectiveness across countries, especially those with low income and/or high burden contexts.

Limited visibility on performance of set asides and different planning cycles creates coordination challenges. In prior years, it has been difficult to obtain comprehensive information on the level of effort, impact, and spending of set-asides from donors. The wide range and complexity of priorities and modalities across the different bilateral donors further complicate efforts to align and harmonize TA interventions.

Following GC6 implementation, challenges with coordination and alignment of bi-lateral set asides are well understood. In response, the Secretariat established the Bilateral Set-aside Core Group to improve coordination, planning, and operationalization of GC7 set asides.

These efforts, if successful, could help to mitigate historical challenges and ensure that bilateral set-asides are effectively coordinated and aligned with Global Fund programs. Crucially, the Secretariat's limited authority necessitates buy-in from all relevant bilateral donors for any coordination initiatives to succeed. Achieving this will demand a concerted effort from Secretariat senior management, the Board, and donor partners.

2. Catalytic Investments:

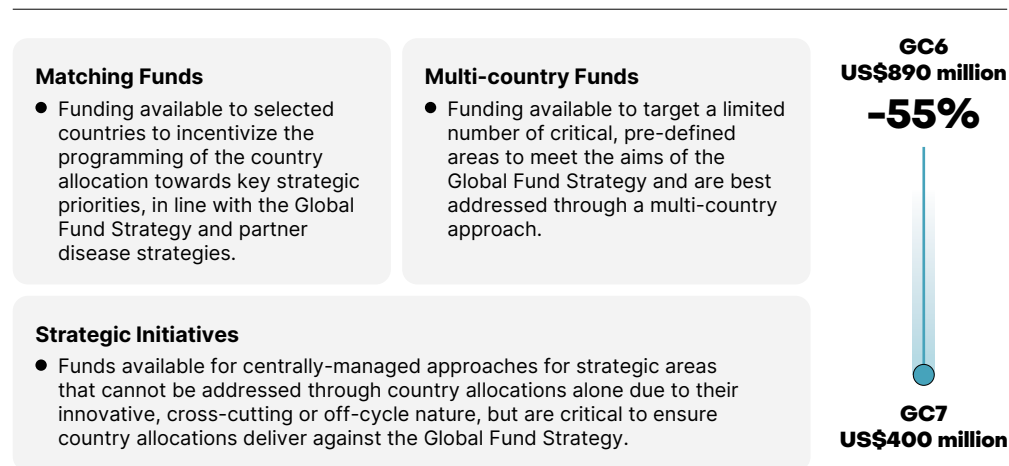
The limited resource envelope for catalytic investments threatens progress on HTM and RSSH, meaning that learning lessons from past implementation and optimizing their use is crucial.

Catalytic investments (CIs) are designated funds allocated for specific programs and activities that are crucial to achieving the Global Fund's strategic objectives but cannot be fully supported by country-specific funding alone. CIs are operationalized via three modalities: matching funds, multi-country funds, and strategic initiatives.

4. Audit findings

Financial resources

FIGURE 29
Catalytic Investment modalities⁵⁹ (including the decrease in GC7)



Due to not meeting the investment case target, catalytic investments were deprioritized to protect country allocations. This resulted in a 55% reduction in catalytic investment funding from US\$890 million in GC6 to US\$400 million in GC7, complemented by co-investment of US\$118 million from the private sector. Only 54% (12 out of 22) priority areas have been funded for GC7, due to limited available funds. Prior to the replenishment, the Board approved the catalytic investment priorities presented to them by the Secretariat. These priorities and amounts were based on different funding scenarios. The lower replenishment outcome meant that some priority areas could not be funded for GC7 in line with the lower funding scenarios approved by the Board.

The significant reduction in catalytic investments in the Seventh Replenishment (GC7) threatens the Fund's ability to drive accelerated progress in several critical areas, including equitable access to innovation, pandemic preparedness, multi-country HIV initiatives, and malaria elimination.

The impact of the limited funding for strategic initiatives can be further mitigated by addressing historic design and implementation challenges to maximize the available resources for GC7. The OIG's review of implementation of strategic initiatives in GC6 noted the need to:

- Better align strategic initiative activities/workplans to country grants and other investments to achieve targeted outcomes and value for money.
- Improve coordination between the strategic initiative project teams, Country Teams, CCMs and implementers for efficient implementation.

Lessons learned from GC6 implementation informed the design and planning for GC7. There has been progress in streamlining the Strategic Initiative processes by aligning strategic initiatives' implementation with the grant cycle, development of options for technical assistance, improving engagement with Country Teams and technical partners and streamlining and simplification of review and approval processes. An Operational Policy Note (OPN) on design, approval, implementation and closure of strategic initiatives was developed for GC7. In order to leverage knowledge and harmonize grant approaches, the technical review for GC7 strategic initiatives was done by the TRP.

Acknowledging the reduction in funding and the need to keep working on those activities with proven catalytic effect, the Secretariat is continuously looking for alternative approaches. For example, a key strategic initiative addressing malaria vector control threats and opportunities, by targeting insecticide resistance through accelerated introduction of new nets, has not been included in GC7.

For GC7, the Secretariat has taken further steps to work with partners to address some of the financing challenges due to reduced catalytic investments. For example, in August 2023, the Global Fund launched the Revolving Facility, with an initial commitment of US\$100 million from the Bill & Melinda Gates Foundation. While the Revolving Facility is not a catalytic investment, it is integrated with the NextGen Market Shaping Strategic Initiative. The Revolving Facility is to help negotiate improved supply terms for global health products for the countries that the Global Fund supports. The first agreement to come through the Facility was with one of the malaria mosquito net manufacturers, for its new dual active ingredient insecticide-treated net.

59 Source: Guidance Note on Accessing and Programming Matching Funds (Allocation Period 2023-2025)

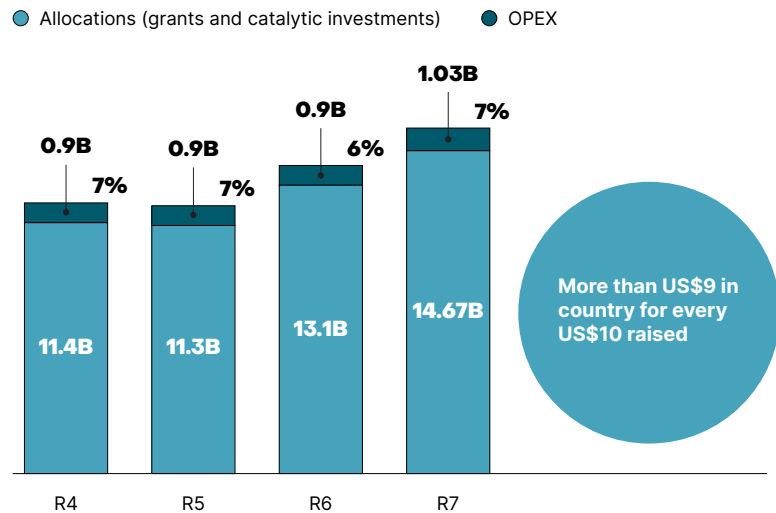
4. Audit findings

3. Value for Money Framework:

The Global Fund has a cost-efficient operating model but further efforts are needed to embed the comprehensive Value for Money (VfM) framework into key processes.

As a financial institution with no country presence and leveraging in-country implementers, the Global Fund has an efficient operating model. Benefiting from increased financial resources and maintaining a structure with no country offices, the Global Fund invests more than US\$9 in countries for every US\$10 received. Funds allocated to grants are directed mainly to procurement and service delivery activities with program management costs accounting for about 10% of total investments through grants.

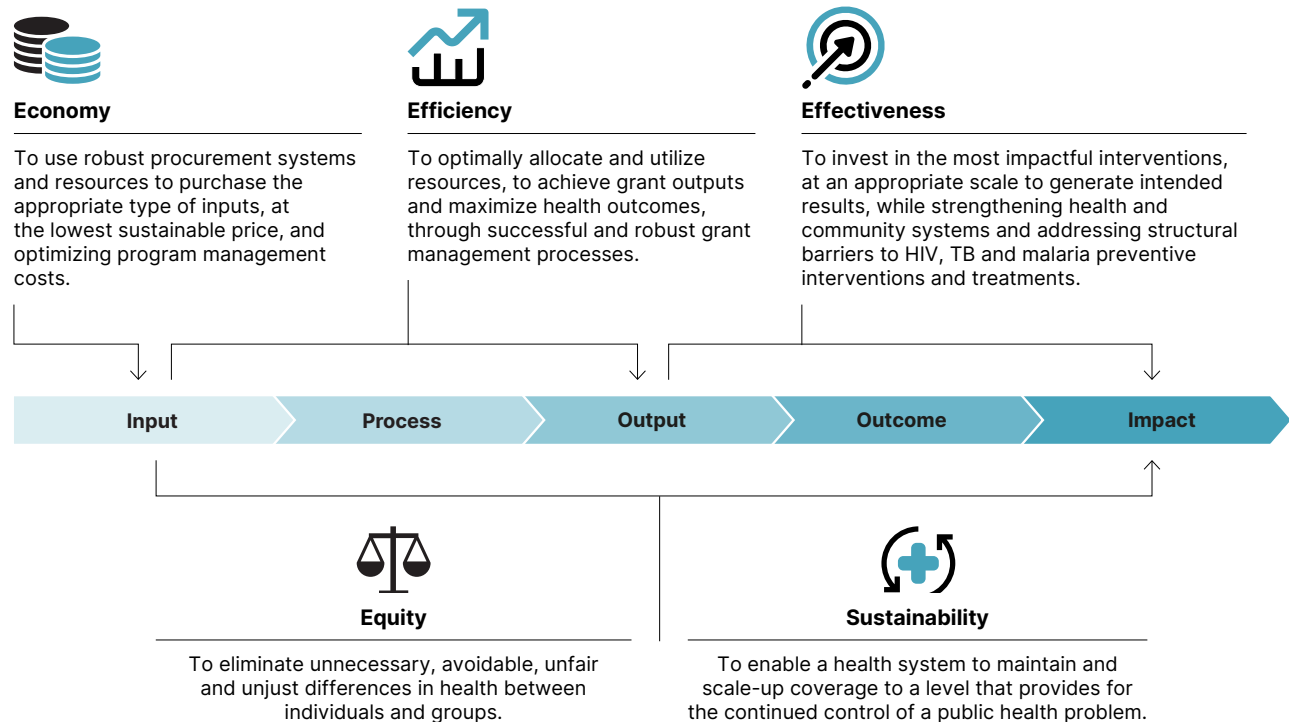
FIGURE 30
Proportion of operating expenditures as a % of replenishment



Value for money has been introduced as a principle to guide Global Fund Investments since 2011 and it is highlighted in the 2023-2028 strategy as a key component of the Global Fund Model. Maximizing the value of Global Fund investments is critical for achieving the strategic objectives especially in a resource-constrained environment. The current Value for Money framework was updated and presented to the Board in 2018 and was revised to support GC7 grants that are starting in 2024.

The Global Fund’s framework is more comprehensive than the frameworks of peer organizations and is well tailored to the organization’s mission. It not only utilizes the commonly used dimensions of VFM (economy, efficiency, and effectiveness) but also includes two cross-cutting dimensions on equity and sustainability. This ensures that VfM is more closely linked to the core mandate and strategic objectives of the organization.

FIGURE 31
Global Fund’s Value for Money Framework approach



4. Audit findings

Financial resources

At the funding request and grant-making stages, changes have been made to embed VfM throughout the GC7 application template/form, including questions on the different dimensions of VfM, with guidance on how to articulate VfM efforts. Updates were made to the Information Notes and Technical Briefs, the Applicant Handbook, and the Grant Budgeting Guidelines to ensure that key VfM messages are consistently conveyed. VfM was also included as a key TRP review criteria. The Secretariat developed internal guidelines to assist in identifying opportunities for increased efficiency and cost savings during grant-making, often resulting in the inclusion in final grant budgets of activities previously included in the unfunded quality demand (UQD).⁶⁰

The 2023/24 OIG VfM Audit of Global Fund investments in Health and Laboratory-related equipment identified the need for the VfM framework to be operationalized and further embedded in Global Fund processes to ensure VfM across the grant life cycle. The framework is focused on the funding request and grant making stage and is not fully embedded in grant implementation and closure processes. At these stages, there is currently no guidance to support the on-going assessment of VfM for what has been achieved to date.

In addition, there is no clear definition of the roles and responsibilities of the various Secretariat departments that play a role in ensuring VfM. To monitor health equity, the Global Fund introduced two new strategic KPIs (i.e., KPI E2a and E2b). These KPIs aim to monitor grant indicator performance and progression in specific sub-populations, comparing them to the general population within specific inequity areas for the period 2023-2028. Except for the equity dimension, the Global Fund lacks corporate-level KPIs to track achievement of the other dimensions of VfM, and there is no coordinated and structured process for reporting on VfM at the corporate level. This makes it difficult to assess the overall effectiveness of the Global Fund's VfM endeavors.

Efforts to operationalize and embed the framework have been hampered by the Secretariat's focus on other competing priorities, leading to slow progress. In March 2022, the Global Fund Secretariat conducted a comprehensive mapping exercise to identify and assess the effectiveness of its existing VfM efforts. The findings of this exercise informed an update to the Technical Brief on VfM, which was published in October 2022.

In April 2022, the Secretariat launched a VfM Working Group to develop a joint vision and work plan for VfM across the organization. However, the VfM Working Group workstream was deprioritized with the last formal update provided in June 2022. Consequently, key deliverables remain outstanding – including the development of a corporate VfM work plan that would embed VfM throughout the grant cycle.

The Global Fund Secretariat is using the findings of the OIG VfM audit, along with other VfM assessments conducted by the Secretariat, to develop and begin implementing a roadmap for prioritizing and operationalizing the dimensions of the VfM framework in core grant processes. This is expected to be implemented by March 2026.

4.2.4 Domestic financing is crucial for the Global Fund's programmatic impact and sustainability, but macroeconomic and operational challenges hinder the Secretariat's efforts to catalyze domestic health financing.

Domestic financing is a critical component of the Global Fund's strategy for achieving its programmatic goals and ensuring long-term sustainability. Financial and programmatic sustainability is one of the 10 strategic shifts identified for the 2023-2028 Global Fund Strategy to ensure that progress achieved can withstand economic shocks and reversals on health priorities, and that the momentum can be sustained.

According to the Global Fund Investment Case for the Seventh replenishment, domestic financing was projected to cover 45% of resource needs. Globally, this translates to approximately triple the resources from domestic sources than from Global Fund allocations. The Global Fund acknowledges the importance of domestic financing and has enhanced its capabilities to better leverage its position in the Global Health architecture.

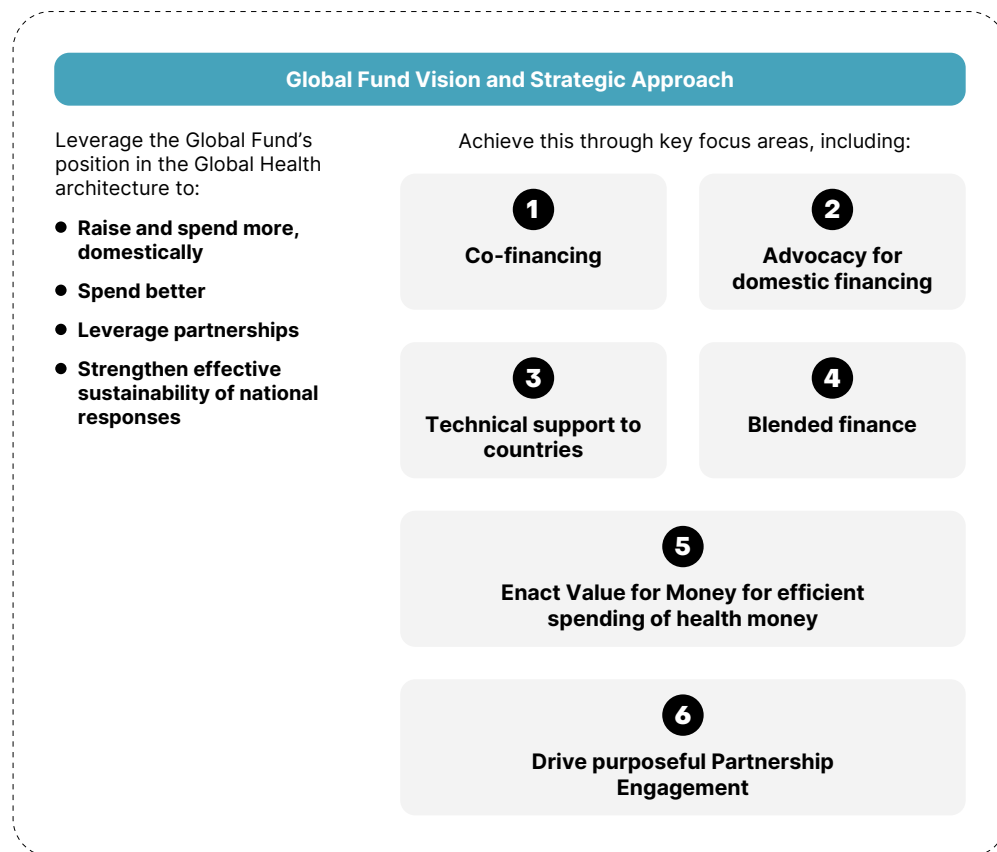
A Health Financing department established to enhance strategic focus on health financing: To enhance efficiency and strategic focus, the Global Fund Secretariat established a centralized department in January 2021 to consolidate the expertise and resources previously dispersed across individual teams at the Secretariat. The department's primary role is the development and implementation of a comprehensive health financing approach for the Global Fund, bolstering advocacy efforts, and providing technical support to recipient countries. Additionally, it is responsible for coordinating efforts to catalyze domestic resource mobilization through co-financing requirements and optimized collaboration with key partners.

The Global Fund's role in influencing domestic financing to effectively implement the new Strategy is defined with six focused areas: co-financing, advocacy for domestic financing, technical support, blended finance, value for money and partner engagement.

⁶⁰ Countries can include priority investments that should be funded but cannot be funded due to limited resources in the "prioritized above allocation request" with their funding request. The PAAR is reviewed by the TRP, and interventions that are strategically focused and technically sound are registered as "unfunded quality demand."

4. Audit findings

FIGURE 32
Global Fund's role in influencing domestic financing⁶¹



To better support the creation of the Health Financing Department, the OIG conducted an advisory on the Global Fund's Role and Approach to Domestic Financing for Health. This review identified opportunities to enhance and strengthen the strategic application of the co-financing lever by; (i) strengthening the design of co-financing requirements through

more strategic engagement of Health Finance Specialists and updating guidance to Global Fund Country Teams; (ii) increasing transparency & accountability of co-financing requirements and results; and (iii) enhancing operational processes for co-financing design & compliance.

The review also highlighted the negative impact of poor health finance data and Public Financial Management (PFM) on domestic health funding, and recommended PFM maturity goals and thresholds to strengthen national systems, and ensure efficient resource utilization, comprehensive monitoring, and transparent funding allocation in the long term.

The Secretariat has taken positive steps to implement the advisory recommendation as follows:

- The GC7 modular framework was updated to include a dedicated module on health financing systems. This enables implementers to target PFM improvements directly within grant funding. As of February 2024, a total of US\$65 million was budgeted under the health financing module across 46 countries. Funding for PFM amounted to 19% (US\$12 million) of the total health financing investments through GC7.
- For GC7, the Global Fund has put in place a mandatory requirement for submission of a co-financing commitment letter for all portfolios endorsed by the Government budget holder, including specific programmatic and financial commitments and details on co-financing reporting prior to GAC approval. However, implementation of this requirement remains challenging, with a significant number (54%)⁶² of GC7 grants approved by the Board before submission of the commitment letter by recipient countries. For grants where a commitment letter was not submitted at the time of GAC review, a specific grant requirement was included, necessitating recipients or countries to submit a finalized commitment letter within a defined time frame.
- The Secretariat has integrated co-financing into its risk management approaches to enable proactive identification and response to risks. Health financing risk has been added to the integrated risk management tool for country risk management, focusing on barriers to domestic health financing and financial sustainability.
- The Board-approved co-financing KPI for 2023-2028 focuses on realization of the overall commitments made by countries in their commitment letters, instead of realization of minimum requirements as determined by the policy. To complement the domestic co-financing KPI, another KPI will track progress in implementing mitigating actions on co-financing risk.

⁶¹ Source: Update on Health Finance to 21st Strategy Committee Meeting (GF/SC21/14) – March 2023

⁶² The Board approved 159 GC7 grants between August 2023 and 15 February 2024. Of the approved grants, 148 grants required co-financing commitment letters and 11 grants were exempt from co-financing commitment letters. However, 80 out of 148 grants (54%) had not finalized the co-financing commitment letter at the time of approval

4. Audit findings

Financial resources

The Global Fund developed interim guidance for co-financing implementation for GC7 grant-making. The Global Fund's revision of its co-financing OPN is ongoing, and its success depends on clearly defining roles and responsibilities across Secretariat teams, particularly for tracking, oversight, and validation of co-financing data. Addressing these outstanding recommendations will be critical for (i) enhancing the efficiency and overall realization of co-financing commitments; (ii) improving reliability of data to ultimately lead to a consolidated and publicly available report on co-financing requirements and results for each country, and (iii) promoting greater transparency and accountability around co-financing commitments.

Macroeconomic and fiscal challenges limit domestic finance realization: WHO data indicates that over 70% (33 of 47) of countries in the Africa region had less than 45% of domestic general government health expenditure as percentage of current health expenditure in 2021.⁶³ Approximately 72% of Global Fund investments go to countries in sub-Saharan Africa.

Therefore, the Secretariat's efforts in this region have been hampered by macroeconomic challenges faced by many countries, particularly those with fragile health systems and limited fiscal resources. For GC7, the Secretariat has identified 34 countries with fiscal challenges and has revised the co-financing amount required accordingly. In some cases, the minimum additional co-financing requirement has been set below the standard amount mandated by policy or even reduced to zero. This adjustment is aimed at accommodating the specific circumstances of these countries. Given the current macroeconomic environment, there is a risk that more countries (beyond the 34 countries delinked from standard co-financing requirements) will not be able to fulfil co-financing requirements in line with the policy.

Data availability and data quality on co-financing commitments need improvement to ensure transparency and accountability: The Secretariat's ability to effectively catalyze domestic financing is further hindered by limited data availability and data quality on co-financing commitments. The Health Finance department's analysis of GC6 co-financing data revealed substantial inconsistencies across key co-financing documentation. Key findings of the data governance were presented⁶⁴ to the 50th Board meeting as follows:

- 98% of the 81 countries reviewed that were subject to Grant Approval Committee (GAC) review saw a deviation between the final commitment letter expressing forward commitments for GC6 and the grant making final review form's representation of these commitments.

- 47% (38 out of 81) of countries reviewed that were evaluated by the GAC had data missing from grant making final review forms, making it impossible to fully compare the data with funding landscape tables.
- There were no examples in the 81 reviewed countries where the figures in the funding landscape tables data on domestic expenditure in GC5 matched GC6 grant making final review forms data on realization of GC5 co-financing commitments.
- While 86% of countries which were evaluated by the GAC had a commitment letter, 60% of those did not follow the prescribed template and lacked key information.

The above analysis was part of a proactive approach by the Secretariat to understand data governance and to identify solutions to improve the quality of co-financing data. The analysis only looked at internal data consistency and did not assess external data quality. The review also did not aggregate the materiality of the deviations between the amounts in the Commitment Letters and amounts presented to the GAC for GC6.

For GC7, the Secretariat has taken steps to improve the ongoing monitoring of co-financing requirements throughout grant implementation, to modify the way requirements are set, and to strengthen data governance. The operational guidance on co-financing for GC7 has been updated, including clarification of the approach to assessing compliance and minimum data requirements.

Failure of governments to fulfill their co-financing obligations can negatively effect program quality, impact and sustainability, especially relating to the availability of essential medicines. The 2023 OIG audits found that government lapses in co-financing commitments have led to drug shortages and compromised treatment outcomes, hindered the effectiveness of countries' malaria control efforts and delayed the implementation of critical health care transition plans.⁶⁵

Faced with many competing priorities and limited replenishment resources, the Global Fund – a gap-filling organization – relies on domestic resource mobilization to strengthen country systems, contribute to treatment financing either by funding drugs or include HTM treatment in health insurance schemes. Successful resource mobilization would allow the Global Fund to fill the gaps in working with communities for prevention programs and reducing human rights barriers.

63 According to WHO, domestic general government sources include government internal transfers and grants, government transfers and subsidies to voluntary schemes, as well as social health insurance contributions. This indicator describes the role of the general government domestic sources in funding healthcare relative to domestic private and external sources. (Source: [The Global Health Observatory, WHO](#) - accessed 17 May 2024)

64 Source: Update on Co-financing to the 50th Board Meeting (14-16 November 2023)

65 OIG audits in Ghana, Cote d'Ivoire, Cambodia, Angola and Uganda

4. Audit findings

4.3 The Global Fund has continuously adapted its structures and resourcing model to deliver on the evolving mandate. There are ongoing initiatives to further align structure and resources to the new strategy requirements. Prioritization of human resources to the highest impact areas and clarification of key roles to enhance accountability over strategy delivery is needed.

4.3.1 The Global Fund has continuously adapted its structure and resourcing model to deliver on its evolving complex mandate.

Launched in 2002 as a multi-stakeholder partnership for financing the fight against AIDS, TB and malaria, the Global Fund contributes to national health programs and strategies through grants. The Secretariat relies on both financial and human resources to support country-owned plans and contribute to impact through partnerships.

The Global Fund Secretariat, based in Geneva, is responsible for the day-to-day operations, including implementation of Global Fund strategies and policies, support to implementers, policy development, and fundraising. The staff of the Global Fund also support day-to-day collaboration with technical and development partners at the global, regional and country level.

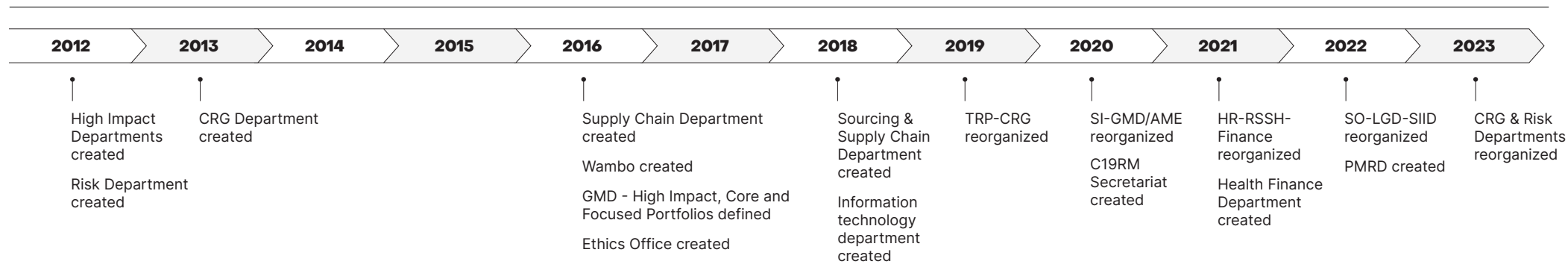
Once funding is allocated using a Board-approved methodology and country-led requests are approved, the Global Fund Secretariat supports the implementation of grants throughout the grant life cycle. This process includes ongoing country dialogue, signing grant agreements, financial management improvements, progress updates, reporting, monitoring and evaluation activities, and annual funding reviews.

At country level, the Principal Recipients are responsible for implementation of grant activities and accountable for performance, including activities of sub-recipients and other service providers. The Principal Recipients are also responsible and accountable to the Country Coordinating Mechanism (CCM). The Global Fund Secretariat monitors grant implementation on an ongoing basis in coordination with Local Fund Agents (LFAs), other assurance service providers and in-country partners.

Continuous adaptation of the Secretariat structure to enhance capabilities and respond to the evolving mandate: Since inception, the Global Fund Secretariat has continuously adapted its structure in response to the evolution of scope and complexity of mandate. Following recommendations of the high-level independent review panel in 2011, the Global Fund created multi-functional Country Teams, high impact departments with more staff focused on highest burden countries, and a Secretariat-wide risk management function.

Originally created as a financial institution, relying on technical partners' expertise and supporting national health strategies, the Global Fund has enhanced its technical capabilities over the years to deal with the increased complexity of its mandate. Various technical teams have either been enhanced or created to address the specific strategic or operational demands, in the last 13 years. Refer to Figure 33 below.

FIGURE 33
Evolution of Global Fund Secretariat structure since its creation



The Global Fund Secretariat began operating in January 2002. It has grown from 70 FTE in July 2003 to 1,070 in Q4 2023 (based on Human resource department data).

4. Audit findings

For example,

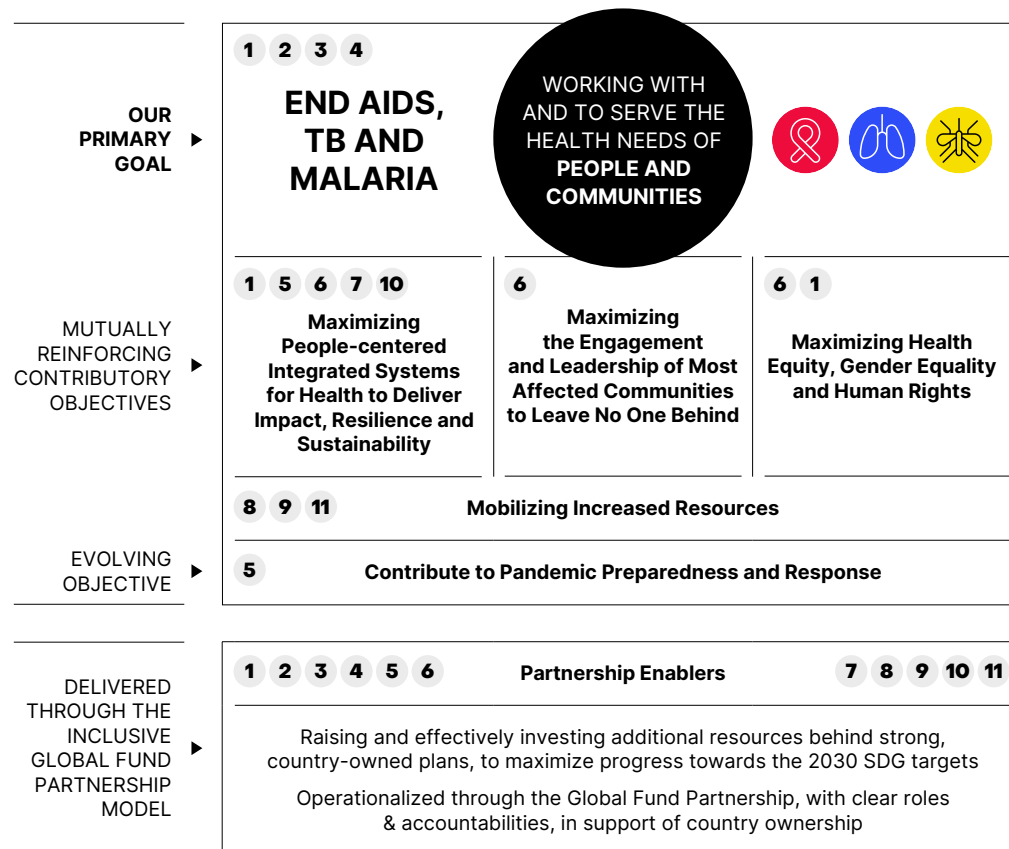
- The Technical Advice and Partnership (TAP) department comprising HIV, TB, malaria and RSSH technical teams was set up to lead multilateral technical partnership engagement and to provide advice to the Country Teams during design and implementation of grants.
- With more than 55% of funds dedicated to procurement of health commodities, a supply chain operations department was created in 2016 and there have been multiple transformations to enhance its effectiveness.
- The Community Rights and Gender department was set up to provide strategic focus to aspects of human rights, gender equity and community engagement. This includes community systems and responses, and key populations.
- More recently during the COVID-19 pandemic disruption, the influx of new funding through C19RM necessitated creation of the C19RM Secretariat to manage increased resources. The C19RM Secretariat is responsible for ensuring careful planning for C19RM investments. This includes the shift in countries' priorities towards longer-term investments in health systems infrastructure and capacities for PPR, as well as complementarity with funding requests for the 2023-2025 allocation period.

As a result of these efforts, the design of Secretariat internal structures cover all the strategic objectives. At the core of this model sit the Country Teams responsible for overseeing grant implementation with different technical teams supporting key strategic priorities as summarized in Figure 34.

Significant increase in Secretariat workforce to respond to the increased complexity of the mandate. The Global Fund's mandate has evolved over time in line with increased financial resources. Supported by continuous replenishment success, the Global Fund strategy has continuously evolved, and new strategic priorities have been added. Human rights and domestic financing became a strategic focus during the 2012-2016 strategy.

Key Populations, RSSH, and investment efficiencies are key areas emphasized in the previous strategy. The current strategy focuses on enhancing and expanding efforts on integrated systems for health, engagement with the most affected communities, as well as human rights and gender equality. In addition, and supported by the C19RM funding stream, Pandemic Preparedness and Response is a new strategic area for the Global Fund. The Secretariat's workforce has evolved consequently and has significantly increased over the last seven years.

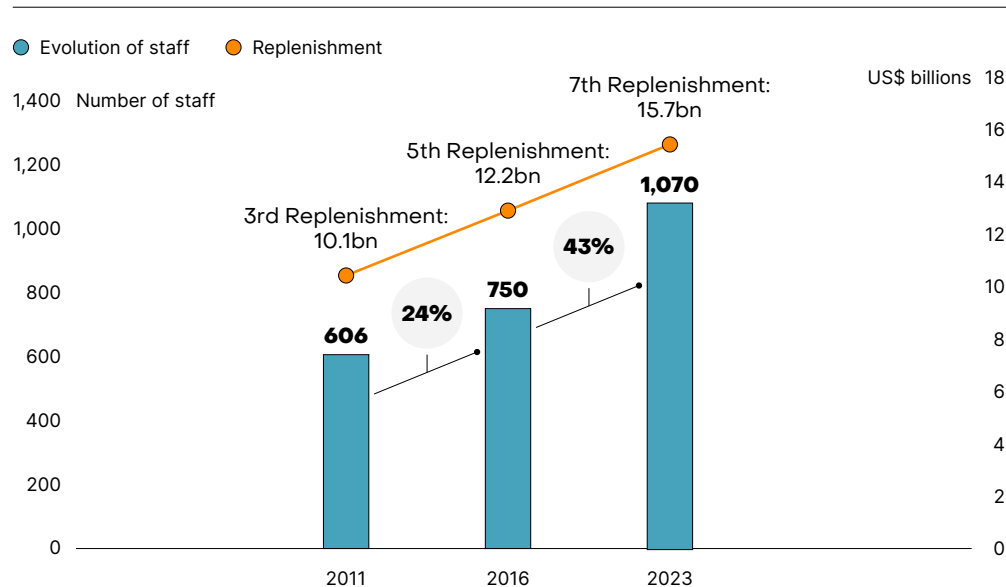
FIGURE 34
Simplified mapping of new strategic framework to Secretariat technical teams (based on KPI results owners)



- 1 Grant Management Division (GMD)
- 2 HIV Team (TAP)
- 3 TB Team (TAP)
- 4 Malaria Team (TAP)
- 5 RSSH Team (TAP)
- 6 Community, Rights & Gender (CRG)
- 7 Supply Operations (SO)
- 8 Health Financing
- 9 External Relations & Communications (ERCD)
- 10 Monitoring and Evaluation & Country Analysis (MECA)
- 11 Finance and Administration (F&A)

4. Audit findings

FIGURE 35
Evolution of Secretariat workforce over time

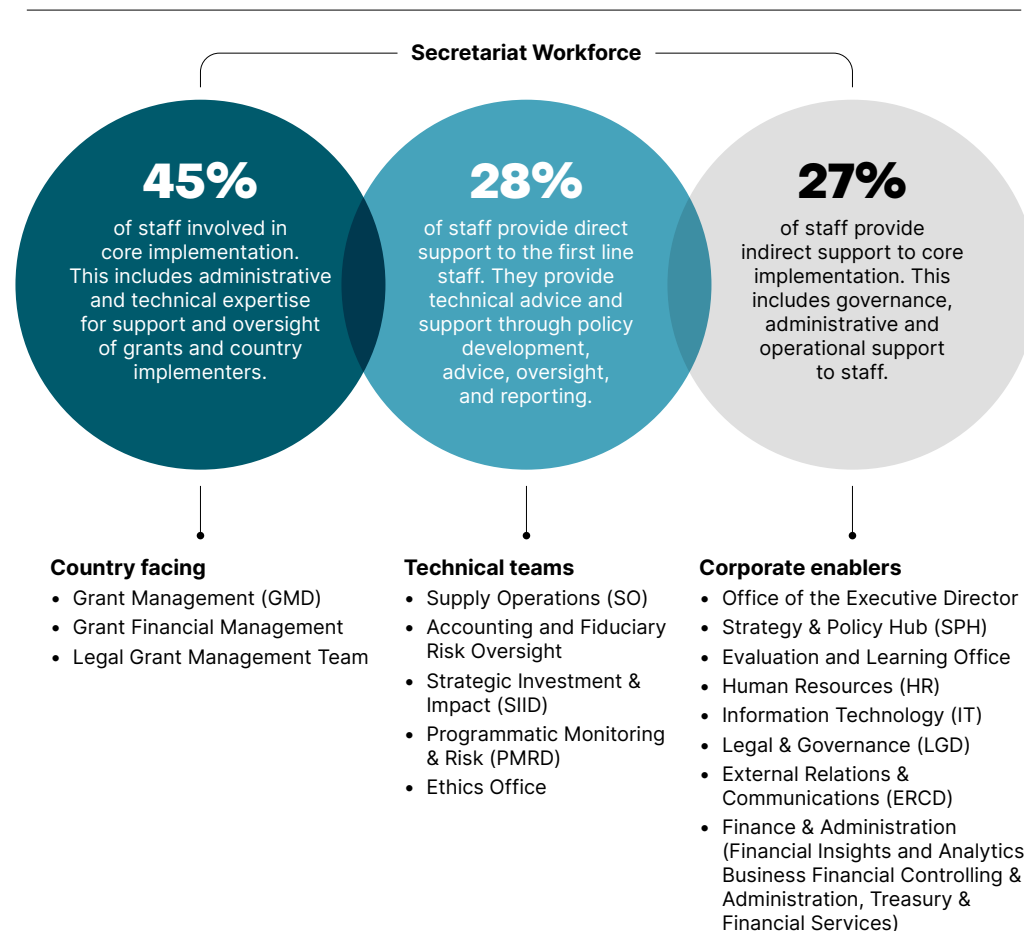


The resourcing model combines country-facing resources with technical teams' grant support: The Global Fund resourcing model is centered around Country Teams, which were created in 2011 to achieve more effective and efficient oversight of Global Fund Grants. They support design of strategy-aligned grants, ensure timely disbursements of funds, engage with implementing, technical and development partners at country level and oversee grant implementation.

The Country Teams are supported by various technical teams responsible for (i) developing operational policies and guidance, (ii) advising Country Teams in the implementation of these policies, (iii) oversight, monitoring and reporting. They provide direct support to country-facing teams and play a key role in overseeing the Global Fund's implementation of strategic objectives. The model is supported by various other functions acting as corporate enablers (e.g. Human Resources, Department, IT, Finance and Administration, Ethics, Legal and Governance). In 2023, over 70% of the total workforce was involved in direct implementation of the Secretariat mandate through technical support and oversight of grant implementation.

The combination of structural adaptations and resource allocation by the Secretariat demonstrates a strategic response to the evolving mandate. By establishing specialized units, the Secretariat equipped itself to manage the growing complexity and scope of its responsibilities.

FIGURE 36
Secretariat workforce composition (December 2023)



4. Audit findings

A People and Organization (P&O) ambition is in place to drive planning and performance for the new Strategy delivery, but implementation needs careful and continuous monitoring.

The Global Fund has in place a Human Resources strategy called People and Organization (P&O) Ambition. This covers the new Strategy period of 2023-2028. The P&O aims to drive planning and focus on forward-looking efforts relating to strategy delivery. The P&O Ambition consists of 13 strategic objectives across five focus areas⁶⁶ as summarized in Figure 37 below.

FIGURE 37
P&O Ambition focus areas and strategic objectives⁶⁷



The P&O Ambition includes different initiatives and workstreams to be implemented through to 2028. The Secretariat developed a three-year roadmap (2023-2025) to guide implementation. Status updates on the Ambition and key initiatives are regularly presented to the Management Executive Committee (MEC) and the Board. In 2023, the P&O Ambition informed the organizational priorities with one of the five priority areas relating to investing in people and culture. The organizational priorities are cascaded across the Secretariat teams from department/division down to informing individual performance objectives.

While the P&O Ambition provides a sound framework to guide planning and performance for the new Strategy delivery, its success will depend on the organization’s ability to prioritize implementation and measure success.

In the 2023 organizational planning process, the Secretariat scaled down various initiatives as part of the prioritization and trade-off exercise. This was done to focus on priority areas for 2023, considering feasibility and competing priorities. For instance, the assessment to determine whether the organization design and structure, and the review of strategy-enabling skills and capabilities was deferred in 2023 due to insufficient bandwidth and competing priorities. However, a review of the organizational design framework is underway to develop a new approach for establishing and restructuring existing functions. The organizational design framework is expected to be completed in Q3 2024. Once finalized, the framework aims to define a robust organizational design approach and methodology by aligning strategy, structure, and processes, while addressing roles, governance, and change management.

The goal of the P&O Ambition is to inspire and enable Global Fund staff to achieve the organizational objectives. The P&O Ambition includes an indicative road map for 2023-2025. While individual initiatives have defined objectives and metrics, there is no overarching performance indicators to assess their overall impact on each of the five streams. The Secretariat decided to integrate reporting on the Ambition through the existing monitoring tools. For instance, some operational aspects of the Ambition – such as gender ratio, staff attrition, training budget utilization and satisfaction – are monitored through the Secretariat’s quarterly Performance and Accountability (P&A) reporting. The Secretariat also provides a P&O update to the Board through the Audit and Finance Committee (AFC) twice a year.

While integrating the monitoring of the Ambitions through existing tools can enhance alignment with organizational and departmental priorities, it is important for the Secretariat to continuously evolve and strengthen performance metrics to measurement of outcomes across the five focus areas, where possible.

66 Includes three central focus areas (i.e. continuous agile organization, inclusive culture, right talent for now and the future) and two enabling focus areas (strong people leadership, elevated Human Resources delivery)

67 Source: The Global Fund People and Organization Ambition (2023-2028)

4. Audit findings

Human resources

4.3.2 The Global Fund can further optimize the deployment and utilization of human resources to maximize their contribution in achieving the strategic objectives.

One of the core focus areas of the P&O Ambition is to have a continuously agile organization through a strategy-aligned structure, data-driven workforce planning and a dynamic future of work.⁶⁸

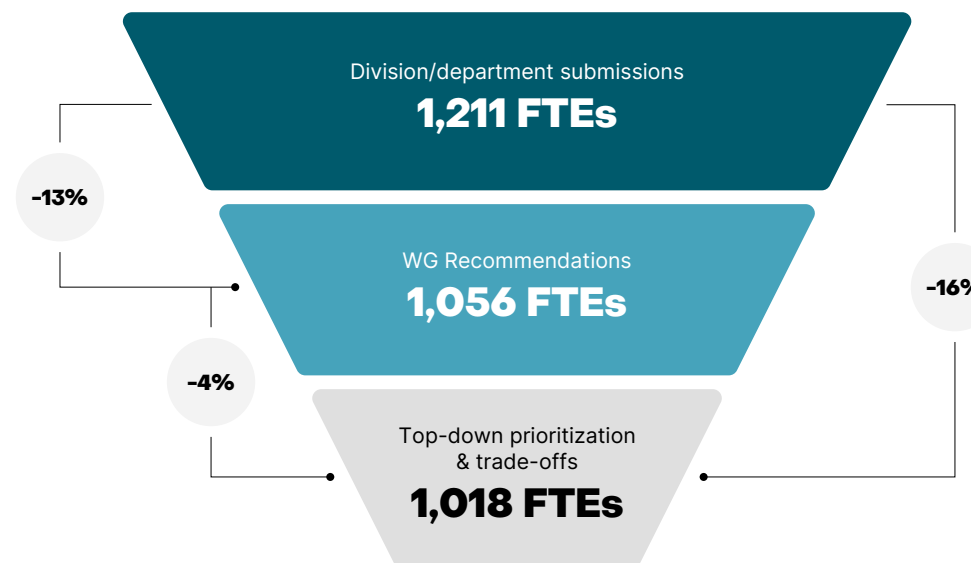
A multi-layered and integrated organizational workforce planning exercise was conducted in 2022 to assess staffing needs for implementing the 2023-2028 strategy. Resource needs are projected on three-year basis, enabling predictability of resourcing while maintaining flexibility to address emerging needs on an annual basis. The exercise involved a bottom-up approach where respective departments/divisions submitted their resource needs, followed by a review by the Secretariat Integrated Organizational Planning Working Group, and culminating in a top-down prioritization and trade-off decision.

Respective divisions/departments were required to provide a justification for each position in terms of expected outcomes and the criticality of resource needs. The Secretariat's Integrated Organizational Planning Working Group and the Leadership Group (comprising the Chief Finance Officer, the Chief Human Resources Officer, the Head of Strategy and Policy Hub, and the Chief Information Officer) reviewed the requests from each division/department. This review resulted in a top-down prioritization and trade-off decision, which was then endorsed by the Executive Director. The OIG found that the guiding principles for prioritization were defined and were largely followed while reviewing the full-time equivalent (FTE) staff requests submitted by the working group. The OPEX budgeting and workforce prioritization process also fed into the Department priority setting process for 2023.

The approved three-year OPEX ceiling of US\$1.03 billion, constrained by the lower replenishment amount, resulted in a reduction from the initial bottom-up request of 1,211 FTE to the final approved number of 1,018 FTEs as illustrated in Figure 38.

The Executive Director's report to the 48th Board meeting highlighted that the detailed workforce planning exercise for the new Strategy implementation reveals a disconnect between the resources required to effectively drive the new Strategy and what is likely to be available. This disconnect contributed to scaling down several initiatives across different departments.

FIGURE 38
Summary of workforce planning prioritization and trade-offs



There are opportunities for further differentiation of staff resource allocation towards the highest investments and risk

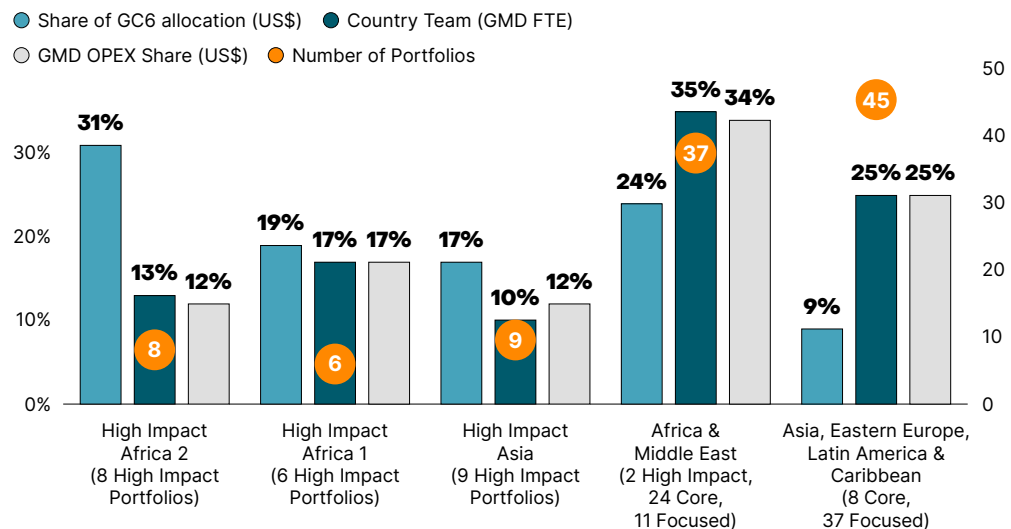
Since 2011, the Global Fund Secretariat has continuously refined its Country Team approach based on various assessments. The 2016 Differentiation for Impact (D4I) project sought to organize grant management processes, controls, systems and Country Teams according to a differentiated model to achieve maximum impact against the three diseases. This resulted in larger teams (4-9 FTE) for "High Impact Countries" with the largest value portfolios, compared to 2-3 FTE for smaller "focused countries". Further differentiation allocated more resources to the largest value portfolios like Nigeria, DRC, Mozambique, and India. This has contributed to positive impact on the ground with improved programmatic results for the three diseases in some countries (e.g. Nigeria).

⁶⁸ For future of work initiatives, the P&O ambition aims build on past successes and continue to assess and adjust where and how we work, via formal policies and informal practices, to ensure individual flexibility, support teams' needs and align with organizational goals

4. Audit findings

However, it is important to continuously assess the allocation of resources in relation to the level of investment and risk. Maintaining the global footprint of the Fund, ensuring funding for interventions for key and vulnerable populations disproportionately affected by the three diseases, and a responsible transition from Global Fund funding requires the deployment of resources to some smaller portfolios. However, it is important to prioritize in a resource-constrained environment. As shown in Figure 39 below, today, 25% of grant-facing workforce within GMD is allocated to oversee 9% of Global Fund investments in Asia, Eastern Europe, Latin America and Caribbean (AELAC) regions. This is partly due to the number of portfolios managed in different regions. For example, the AELAC region has 45 portfolios (i.e., 37 focused and 8 core portfolios), representing 9% of the total budgets for GC6 grants and represents 25% of the total OPEX share of the Grant Management Division. Similarly, High Impact Asia, which represents 17% of the GC6 grant budget allocations, has nine portfolios and 12% of the OPEX share.

FIGURE 39
Global Fund investment GC6 vs GMD Country Team staff allocation



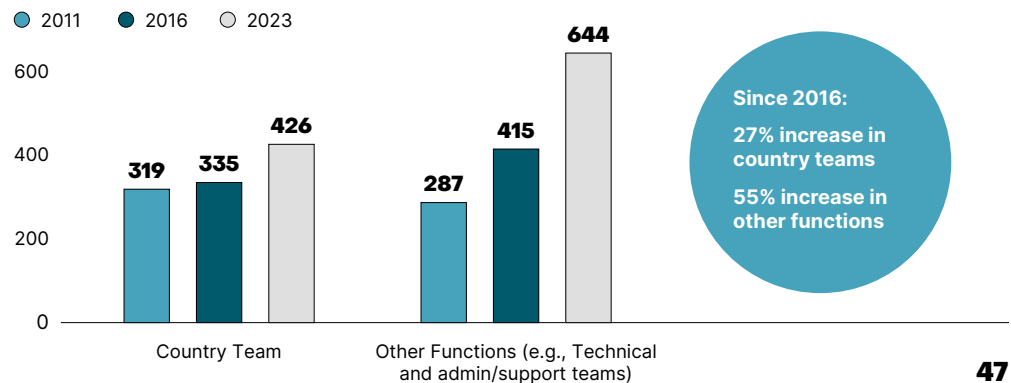
Need to continuously assess the optimal workforce balance between grant implementation and technical advice and support

The decision to manage the increased complexity of the mandate by enhancing technical teams has led to multiple reorganizations between 2020 and 2022, with the Strategic Investment and Impact Division (SIID) being the most affected structure with 12 (54% of 22) transformations within its respective departments during that period. Out of the 22 reorganizations between 2020 and 2022, 68% (15) resulted in a net increase in FTEs.

Over the past three years, the organization has grown by 26%, with a net increase of 223 FTEs. A significant portion of the net increase in FTE (51%, over 100 FTE) was driven by an influx of funding through C19RM that necessitated recruitment staff to support the additional workload. In November 2022, the Board approved the extension of C19RM funds to be utilized through 31 December 2025. The OIG found that while re-organization memos clearly articulate the rationale and objective of the re-organization, 41% (9 of 22) memos did not specify any desired or measurable outcomes to assess the benefits derived from the increase in FTEs.

While this growth has been significant, it has been disproportionate between Country Teams and other functions including technical functions and corporate enablers. Country Teams play a crucial role in grant support and oversight as the main interface with in-country stakeholders. Recognizing this importance, the Independent High-level panel report in 2011 advised that this team should comprise at least 50% of the overall Secretariat headcount. Despite experiencing a 43% increase in overall staff (from 750 to 1,070) between 2016 and 2023, the core country team has grown by 27% in contrast. While the complexities have evolved over time, it is important for the Secretariat to continuously assess the optimal workforce balance between grant implementation and technical advice and support.

FIGURE 40
Evolution of grant-facing workforce (2011-2023)





4. Audit findings

Human resources

While the evolution of Country Teams over the last 10 years has been stable, technical teams have expanded significantly, reaching a total of 140 staff in 2023. This growth has resulted in a 1:1 ratio between Country Team technical specialists (HPM, PHME) in charge of programmatic and supply chain implementation oversight and their respective counterparts in MECA, CRG, TAP and SO, responsible for policy development, advice, and oversight. However, it should be noted that beyond advice and support to country teams, technical teams are responsible for development of operational policy and guidance, KPI development, analysis, reporting and engagement with technical partners.

FIGURE 41
Ratio between CT technical roles and Technical team support

Country Team (day to day oversight)	# of staff	Support Functions (Policy and Advisory)	# of staff
HPM Specialist/Managers	42	SO - Supply Chain Specialists/Managers	10
		SO - Procurement & Planning	14
PHME Specialists	51	TAP RSSH Advisors	27
		TAP HIV Advisors	10
		TAP TB Advisors	8
		TAP Malaria Advisors	7
		MECA Specialists	10
		CRG Specialists/Advisors	15
Total	 93 staff	 101 staff	

Opportunities to further reassess and tailor support and oversight provided by technical functions

The Global Fund model is based on collaboration between country-facing teams and the technical teams. While the role of each team has been defined, the outcome depends largely on how effectively the teams collaborate to fulfill their role.

The second-line technical teams are made up of subject matter experts who play a key role in the execution of the model. They are responsible for development of operational policies and guidelines in line with the strategic priorities, and technical partner policies and normative guidance, and for providing advice on how these policies should be implemented. While the role of the technical teams is defined and formalized in different Operational Policy Notes, the interpretation and implementation of the role differs across various teams as summarized below.

Operational policy development, advice and support: The technical team's role over operational policy and guideline setting is well articulated and implemented: technical teams are responsible for translating existing global normative guidance into Global Fund specific guidance. The technical teams also provide advice and support to Country Teams on how these policies should be implemented. While this role is well defined and implemented by technical teams, there are some areas of improvement.

Technical teams are consistently engaged for key grant life cycle milestones such as the review and provision of input to funding requests and grant making processes. However, technical teams' advice and recommendations are not systematically and consistently leveraged during grant implementation. An OIG survey of technical team members found mixed perceptions of technical team advice. Nearly half (46%) of technical team staff highlighted that their recommendations are not used by Country Teams as expected. One of the perceived contributing root causes is insufficient contextualization of guidance and recommendations from technical teams.

While technical teams and grant-facing teams work collaboratively to ensure agility, there is an opportunity to further define technical team mandates and engagement protocols to ensure Country Teams have consistent access to the right expertise to maximize impact and support, especially during grant implementation.

Technical teams' oversight, monitoring and reporting: The oversight, monitoring and reporting role is interpreted differently and is inconsistently performed by different technical teams. The oversight role is well articulated in relation to the risk management process in the relevant OPN. According to the Country Risk Management OPN, technical teams are expected to conduct periodic reviews, assessments, and provide advice to Country Teams on risk mitigation plans and internal controls, considering resource availability and risk-based prioritization decisions at the country level.

4. Audit findings

Human resources

For example, the Accounting and Fiduciary Risk Oversight (AFRO) team within the Finance & Administration division maintains a dashboard and risk review calendar to facilitate regular risk oversight reviews and ensure that financial risk mitigating measures are on-track. The AFRO team also conducts self-audits on core grant activities to ensure compliance and enable early identification of issues.

However, this oversight approach is not consistently applied by other technical teams. This is due to differences in the structure, capacity and capabilities of other technical teams. The AFRO team is primarily designed as an oversight function and has a clear mandate to perform this role. Direct implementation support is provided by the Grant Financial Management team, with Finance Specialists embedded in Country Teams. Additional oversight to strengthen the quality of financial management by Country Teams is provided through the role of Regional Finance Managers. This structure provides a direct reporting line between the core Country Teams and Finance & Administration.

While some technical teams, such as Risk Management and Legal, have a similar structure, other technical teams do not. Most technical teams are structured differently and do not have this separation of oversight and support functions. The nature of the subject matter and the areas handled by different technical teams varies significantly. For instance, disease experts may need to exercise more judgment and consideration of country context compared to financial or legal experts. As a result, most technical teams have limited bandwidth to balance the dual roles of providing implementation support and advice to Country Teams and oversight of grant risk management processes.

Ownership of strategic KPI results is clearly defined in the new KPI framework. Technical teams are responsible for strategic KPIs as either KPI result owners or co-owners, according to the KPI framework. The Grant Management Division (GMD) and technical teams share results ownership for some indicators, while technical teams (e.g., Technical Advice and Partnership, Community, Rights, and Gender, Health Finance, Monitoring & Evaluation and Country Analysis, Supply Operations) have sole responsibility for others. 54% of the KPIs are shared between GMD and the technical teams, while 43% are solely owned by the technical teams.

To effectively take responsibility for achieving strategic goals, technical teams should monitor and report on risks associated with KPI achievement at key milestones during the grant cycle. Monitoring and reporting of KPIs by technical team results owners involves several actions, including interpreting KPI results to communicate performance outcomes and root causes for any performance issues. Based on their analysis, they initiate and track actions to improve or maintain performance. However, the current model creates an inherent disconnect between those who own the results of strategic KPIs (technical teams) and those who have authority over grant processes and co-own some KPIs (GMD).

However, technical teams review and provide input during grant design (e.g., as part of the Grant Approval Committee), implementation, and routine grant monitoring (e.g., through Country Portfolio Reviews).

Other factors also contribute to the challenges faced by technical teams in consistently fulfilling their oversight and monitoring roles. While the roles of different technical teams have been defined, there is an opportunity to further assess, clarify and tailor their oversight and monitoring roles based on structure, mandate, capacity and capability. In addition, the lack of agreed deliverables for technical teams hinders understanding of their expected contributions during grant implementation. While there are positive examples as highlighted above, these issues generally prevent technical teams from consistently performing their monitoring and oversight functions.

Further optimization of internal processes and integration with other health partners can lead to efficiencies allowing deployment of human resources on key strategic priorities.

While efficient deployment of available resources is key in maximizing their impact, other avenues can be explored to deliver on the ambitious mandate with the current resources. Simplifying internal processes and investing in automation can free up human resources for key strategic priorities

Internal process optimization: The Secretariat has undertaken multiple initiatives to optimize internal processes. In 2022, the Global Fund Secretariat ran a process hackathon survey to collect ideas on business process improvements to improve efficiency and effectiveness. The process hackathon was initiated in response to the results of a staff engagement survey, which indicated that staff members were concerned about the perceived heaviness of processes, the administrative burden associated with them, and the occurrence of unnecessary additional tasks, which they felt were negatively impacting their wellbeing and workload. The process hackathon took a bottom-up approach to collect ideas, from staff and consultants and proposed solutions across all Global Fund business processes. Ideas from the survey were analyzed and prioritized to derive the top 10 process hackathon initiatives.

4. Audit findings

Human resources

Some of the top 10 initiatives prioritized from the hackathon include: (i) End-to-end Procurement Process Improvement, (ii) Intranet Refresh, and (iii) Strategic Initiative Streamlining.

- The intranet was refreshed and launched in January 2023.
- The End-to-End procurement process improvement project is on-going with different workstreams, such as process digitalization and visibility from purchase requisition to invoicing, and is expected to be completed during 2024.
- There has been progress in streamlining the Strategic Initiative processes by aligning Strategic Initiative implementation with the grant cycle, development of options for technical assistance, improving engagement with Country Teams and technical partners and, streamlining and simplification of review and, approval processes.

The process hackathon exercise also informed the 2023 organization priorities by highlighting the optimization of organizational processes, systems and structures as one of the cross-Secretariat sub-priorities. Beyond the top 10 priority initiatives, some ideas were prioritized by respective divisions/departments for 2023. For instance, the travel management system was prioritized and implemented by the Finance and Administration department. While the hackathon approach was a good initiative, the selection of processes was mainly based on staff identified efficiencies and less on the strategic impact or efficiency opportunities of each process.

The process optimization initiatives are important as they enhance efficiency by eliminating bottlenecks, freeing up human resources from low value-add tasks. An assessment of internal processes, their complexity and contribution to strategic objectives can help the Secretariat to prioritize automation, digitalization, and adoption of new tools and technologies to improve process efficiency and effectiveness. For instance, processes across the grant life cycle are assessed systematically through operational launch processes. This will not only improve efficiency and effectiveness of internal processes, but also enable staff to focus on key priority areas necessary for achieving the Global Fund's strategic priorities.

Strategic and operational integration with global health partners: Beyond the internal processes, the Secretariat has an opportunity to improve collaboration with other health partners both at the global and country level. While the Global Fund continuously collaborates with partners throughout the grant life cycle, identifying synergies at the corporate level, maximizing the use of human resources can also be achieved by looking for an integrated model for those common activities. At the country level, while differences in operating models exist, it is important to look for synergies, adapt implementation and leverage global and country partners to maximize resource utilization.

4. Audit findings

4.4 The Global Fund model emphasizes the value of partnership with partners actively involved in planning and implementation of the strategy. Limited implementer capacity and in-country partner coordination may affect implementation of RSSH, PPR and prevention objectives.

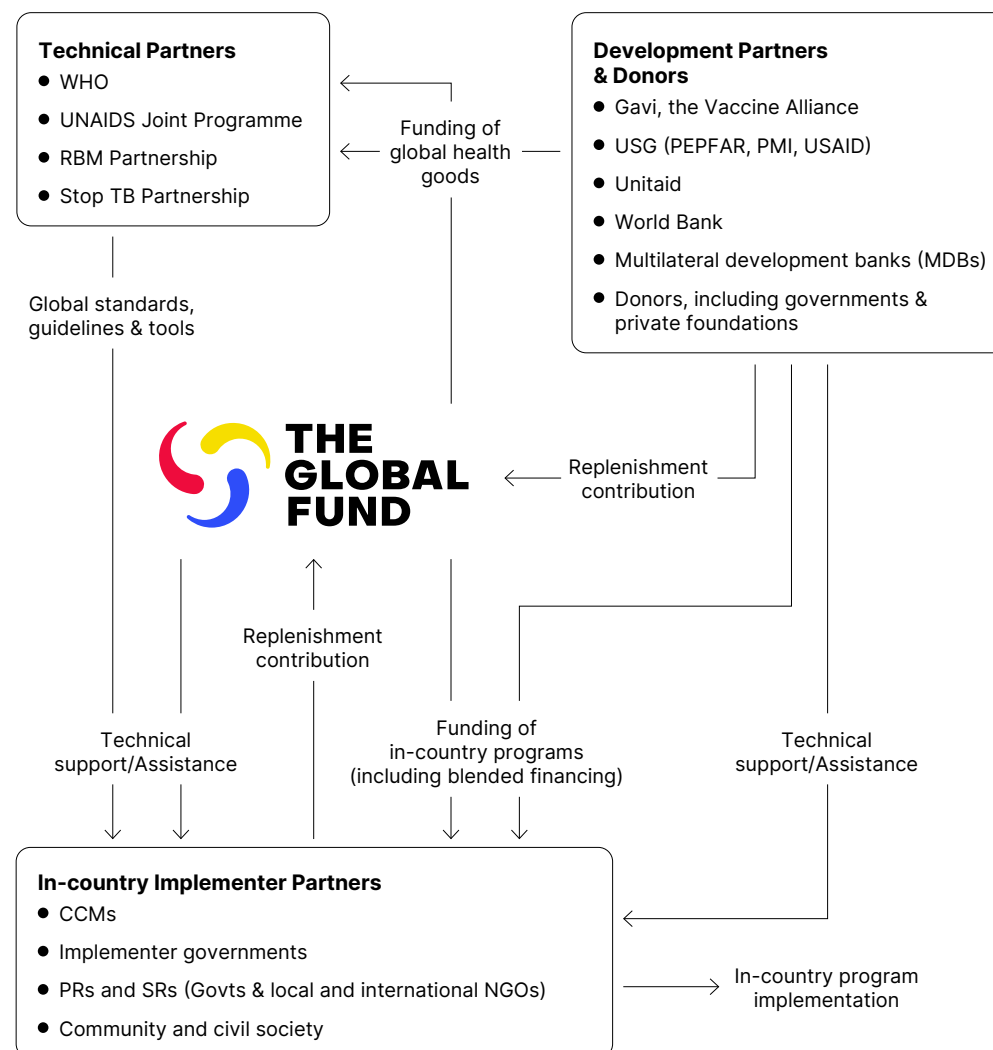
4.4.1 Success of the Global Fund model depends on inclusive partnership at global and country levels. Continuous efforts are made to involve partners in various Global Fund processes and decisions.

The Global Fund relies on a complex, interdependent multi-stakeholder partnership for resource mobilization, advocacy, technical assistance and implementation of in-country programs to achieve its strategic goals and objectives. The success of the Global Fund Model depends on the strong partnership between governments, communities, civil society, technical partners, development partners, and the private sector.

Each partner brings unique strengths and contributions, and their collaboration is crucial for maximizing impact and accelerating the pace of implementation. The 2023-2028 Global Fund Strategy describes partnership enablers in detail, including defined roles of key partners as follows:

- **Technical partners** are responsible for guiding the global response through the global strategies, targets and for providing normative and prioritization guidance and political leadership. In some cases, they also provide technical support to help tailor responses to country contexts.
- **Development partners, including donors**, contribute to the success of Global Fund-supported programs and the national response through the provision of financial resources and expertise, advocacy, and coordination of investments with and across other donors.
- **In-country partners** including CCMs, implementer governments, Principal Recipients and sub-recipients (governments, private sector & local and international NGOs) and community and civil society organizations play complementary roles. They share responsibility for facilitating the design, implementation and oversight of grants, as well as ensuring country ownership.

FIGURE 42
Global Fund partnership interdependencies (illustrative not exhaustive)



4. Audit findings

Partnership engagement

To enable effective contribution to the mission, Global Fund processes are designed to ensure representation and active partner engagement in governance and leadership, strategy development and implementation:

Governance and oversight through the Global Fund Board: The Board is comprised of 20 voting members with equal representation from donor and implementer constituencies. Donors (i.e., eight public donors and two private donor constituencies) and implementers (seven representatives from constituencies from developing countries and three representatives from constituencies from civil society) are represented as voting members on the Board. Technical partners including WHO, UNAIDS, and disease partners, additional Public Donors and the World Bank are represented on the Board as non-voting members, along with the Board Chair, Vice-chair and the Executive Director of the Global Fund.

Consultation and input during strategy development: The new Strategy was developed through an inclusive consultative two-year process across the Global Fund partnership in 2020 and 2021:

- **Open consultation for input across Global Fund Partnership:** The Secretariat undertook open consultations across the Partnership to obtain input and suggestions on topics and focus areas for strategy development. In 2020, the Global Fund obtained input of over 5,200 individuals from more than 100 countries.⁶⁹
- **Partnership forums:** In Q1 2021, the Global Fund organized three regional partnership forums to collaboratively define the new Strategy's aims and action plan. Each regional Partnership Forum generated a set of recommendations which informed the new Strategy framework.
- **Alignment with technical partner global strategies and targets:** To ensure strategic alignment, the new Strategy priorities and target areas guided by the technical partner strategies and their respective targets, including UNAIDS, WHO, the Stop TB Partnership, and the RBM Partnership.

Partners' involvement in strategy implementation

The Global Fund works closely with partners to mobilize international and domestic resources, advocate for enabling environments, and support the implementation of national programs.

- **The Country Coordinating Mechanisms (CCMs):** consist of people who are affected by the three diseases, technical experts and representatives from government and civil society who make investment decisions, select Principal Recipients and provide oversight on in-country grant implementation.
- **Participation in the Grant Approval Committee (GAC):** Civil society, technical and development partners contribute to GAC deliberations as non-voting members.
- **Operational collaboration through disease-specific coordination platforms:** Ongoing collaboration and coordination between Global Fund and technical partners through HIV and TB Situation Rooms and a Malaria Country/Regional Support Partner Committee (CRSPC).
- **Grant implementation:** The Global Fund relies on implementer governments, private sector, local and international NGOs, civil society and community-based organizations to implement programs supported through grants as either Principal Recipients or sub-recipients.
- **Technical capacity strengthening through country grants and Strategic Initiatives:** Technical partners develop normative guidance and provide technical support/capacity building to grant implementers.
- **Mobilizing domestic financing for health:** The Global Fund actively engages the Sustainable Finance for Health Accelerator partners such as WHO, the World Bank, Gavi and the Global Financing Facility to catalyze domestic financing for health and contribute to financial sustainability.

However, to fully leverage the Global Fund Partnership and achieve the strategic objectives on RSSH, PPR and incidence reduction, in-country partner capacity and coordinating challenges need to be addressed.

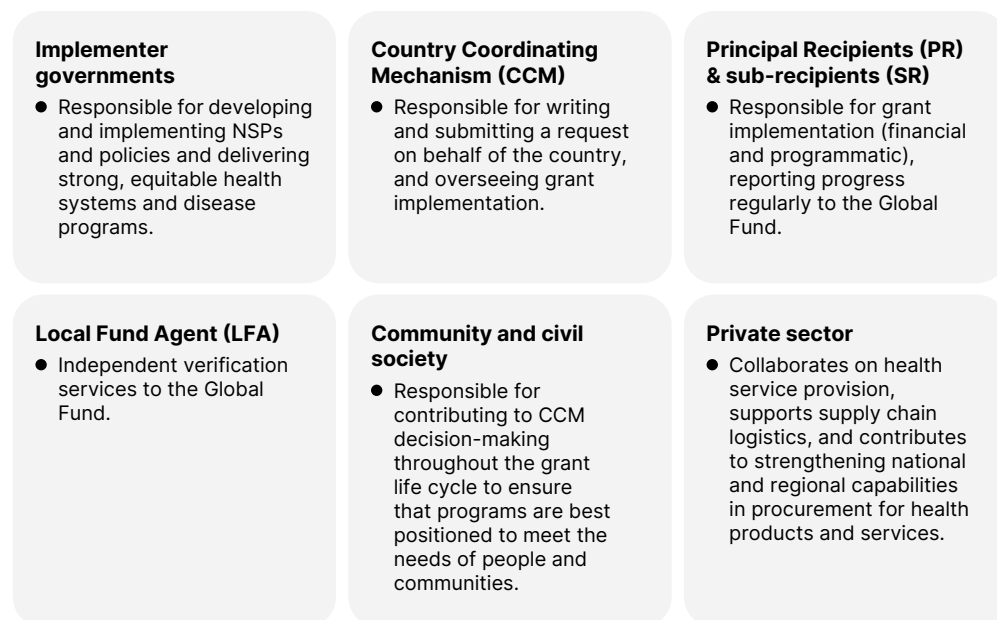
⁶⁹ Source: Strategy Development Framework (GF/B45/05A), 45th Board Meeting, May 2021

4. Audit findings

4.4.2 Need to enhance coordination and align complex strategic priorities beyond the three diseases with in-country partner capacity.

The Global Fund funding model is based on a core principle of country ownership, meaning that countries determine their own strategic priorities and request funding for them. They are responsible for fighting the three diseases using Global Fund grants. Implementing partners identified in the new Strategy include CCMs, implementing governments, Principal Recipients and sub-recipients (governments, private sector, local and international NGOs) and community and civil society. Each in-country partner has complementary roles and responsibilities as summarized in Figure 43 below.

FIGURE 43
Summary of in-country partners⁷⁰



However, limited implementer capacity and partner coordination challenges affect the implementation of complex and ambitious strategic priorities of incidence reduction, RSSH and PPR.

1. HIV Prevention Programs

Effective implementation of HIV prevention programs often requires partnering directly with implementers with experience in working with communities and key and vulnerable populations.

The new Strategy aims to accelerate access to, and effective use of, precision combination prevention, with behavioral, biomedical, and structural components tailored to the needs of populations at high risk of HIV infection, especially key and vulnerable populations. To expand access, the Strategy aims to support prevention approaches through non-traditional and non-facility-based platforms including community-based and community-led services. The Strategy also seeks to align investments with multisectoral programs (including social protection and education) to address poverty, lack of education, and other structural barriers that fuel HIV infections.

Effective implementation of HIV prevention programs requires working with implementers that can take into consideration the specific needs of communities and key populations. The Global Fund has invested considerably to identify, test and put people on treatment. This approach succeeded as 78% of the people living with HIV are receiving antiretroviral medicine. This is a significant increase from 22% in 2010. To achieve such progress, the Global Fund has traditionally worked with treatment-focused implementers, mainly the vertical disease national programs. While they have been effective in putting people on treatment for the general population, they often lack firsthand experience in engaging directly with key and vulnerable populations. Most prevention activities are implemented through sub-recipients: in GC6, 58% of the budget allocated to prevention activities was implemented through sub-recipients, many of which are other government departments and ministries.

Previous OIG country audits identified challenges in implementing prevention programs for communities and key and vulnerable populations, due to delayed or suboptimal implementation of the prevention activities. For example:

- In the 2022 OIG audit of Global Funds in Zambia, delays, poor performance and limited scale-up of adolescent and young people as well as key population activities, under the Ministry of Health, impacted the effectiveness of prevention interventions.
- In the 2023 OIG audit of Global Funds in Uganda, inadequate program monitoring and evaluation by the Ministry of Education and Sports (MOES) and insufficient supervision and monitoring of in-school AGYW initiatives by the Ministry of Health were a contributing factor for suboptimal implementation of HIV prevention services for in-school and out-of-school adolescents and young adults.

70 Source: Adapted from GMD Orientation presentation (June 2022) and 2023-2028 Strategy narrative

4. Audit findings

Partnership engagement

- In the 2023 OIG audit of [Global Funds in Ethiopia](#), there were delays in implementation of key activities and non-adherence to defined services for female sex workers and key populations.
- The 2023 OIG audit of [Global Funds in Namibia](#) noted suboptimal implementation of HIV prevention interventions for key and vulnerable populations due to weak supervision by the Principal Recipient, suboptimal design, weak referral linkages and intermittent stock-outs.
- In the 2023 OIG audit of [Global Funds in Tanzania](#), there was limited implementation of AGYW income-generating activities due to delays linked to complex arrangements led by different implementers.

Many of the above findings are due to the increased complexity of prevention activities, especially for key and vulnerable populations with limited access to appropriate services tailored to their needs. Some of these populations are hard to reach, often stigmatized, and the lack of reliable data makes the efforts to identify and reach them with prevention packages and tests challenging.

Community-based organization are generally well-placed to work with these populations as they have better visibility on their numbers, behaviors and needs. However, CBOs/CLOs often lack the technical, financial and managerial competence to meet Global Fund requirements for implementation. Finding the right balance between the fiduciary risk associated CBOs and the programmatic benefit is a key factor for the successful implementation of prevention activities. Insufficient operational policy levers at the Global Fund for implementing service delivery by CBOs/CLOs as detailed in Finding 4.1.3 affect the success of prevention programs.

2. RSSH & PPR implementation

Need for tailored engagement to drive effective RSSH & PPR implementation and synergistic strategic outcomes.

According to the 2023-2028 Strategy, the Global Fund is committed to supporting people-centered, integrated systems for health to catalyze HTM and broader health outcomes, ultimately contributing to UHC. To achieve its goal, the Global Fund aims to prioritize catalytic RSSH investments that address the most critical gaps in health systems, focus on systems strengthening, tailor RSSH investments to local needs, and incentivize implementer governments and other partner investments.

In previous cycles, past OIG reports have noted ongoing challenges in implementing RSSH interventions at the country level. These challenges have contributed to delays

in implementation, gaps in coordination of RSSH activities and limited achievement of related objectives. RSSH activities have historically had lower implementation rates compared to core HIV, TB and malaria grants. For instance, in GC6, absorption of RSSH interventions was 58% compared to 80% of non-RSSH activities as of June 2023, despite the disruption experienced in recent years. The 2023 OIG audits in [Côte d'Ivoire](#), [Uganda](#), [Ghana](#), [Namibia](#) and [Burundi](#) identified weaknesses in in-country grant oversight that have delayed implementation of RSSH activities, including system strengthening activities in C19RM.

One key challenge for the achievement of the 2023-2028 RSSH ambition is the limited implementer capacity and coordination of multiple health sector entities. RSSH interventions are often complex and take more time to plan and execute at country level. These activities tend to be multi-sectorial and require broader engagement with in-country institutions. Lack of national RSSH strategies, a very fragmented landscape with multiple entities and limited donor coordination are key risks that affect effective implementation of RSSH priorities.

Lack of national strategies: An inherent challenge with RSSH programming is the general lack of up-to-date comprehensive health sector strategies⁷¹ and costed plans for donor investments. In cases where they are available, national health plans are often high level without sufficient detail to enable mapping out of investments. This hinders the effectiveness of RSSH investments. Instead of aligning with these strategies, RSSH investments are primarily based on and guided by disease-specific National Strategic Plans (NSPs). While important for supporting HTM objectives, this approach does not consider the needs of the broader health system context and may lead to suboptimal resource allocation and coordination. For instance, the [2023 OIG Audit of In-country data and data systems](#) noted that lack of national HMIS policy and strategy limited the ability to coordinate and direct strategic investments in HMIS in the sampled countries.

Fragmented partners landscape: While for HIV, TB and malaria each country has a national strategy which is often implemented by vertical disease programs, there is often no equivalent responsible entity in charge of the RSSH response with various units, often within the Ministry of Health, responsible for elements of the systems strengthening pillar. Due to this lack of coordination of RSSH at the country level, there is often no donor mapping for RSSH interventions.

There are also challenges regarding RSSH technical partnership and coordination at the global and country level. The **Global Fund Strategic Review 2023 (SR2023)** noted that unlike for disease-specific investments, there are limited partners to support TA for Global Fund RSSH investments. The attributed root cause was that RSSH is multi-faceted and no single partner can provide support across all the various areas including supply chains, data systems, and Human Resources for Health.

71 For example, lack of national health products supply chain strategies, national laboratory strategic plans, health information systems policies, and private sector engagement strategy

4. Audit findings

Partnership engagement

Implementation arrangements and coordination: In the absence of centralized in-country actors responsible for RSSH, often these activities have been implemented by national disease programs. In GC6, 51% (148 of 292) of Global Fund grants were implemented by Governmental Organizations (e.g., national programs or PMUs in MoH) as Principal Recipients, who often do not have the required capacity or competencies needed to implement the wide range of RSSH activities.

Acknowledging the importance of systems strengthening but also the need to work with national programs to achieve the primary objective, the Global Fund often engages units in charge of respective RSSH components within MoH or other autonomous entities responsible for health system thematic areas as sub-recipients. This leads to limited integration of RSSH activities across disease programs. Disease programs usually operate in a vertical manner, being responsible for disease-specific laboratory sample transportation networks, disease-specific Community Health Workers (CHWs), leading to cross-sector inefficiencies. In addition, depending on the nature of RSSH interventions, grant sub-recipients are often autonomous government bodies with no formal reporting structures to National Disease Programs. This creates complexities in monitoring/reporting on these investments.

CCM capacity in monitoring RSSH interventions is often low. As a result, oversight of RSSH activities is often limited, contributing to low absorption. For example, the 2023 OIG audit of Global Funds in Namibia found that suboptimal CCM oversight affected efficient and effective grant implementation resulting in low grant absorption. As a result, some key program activities, including patient pathway analysis and the delivery of Oxygen Generators, were significantly delayed. To date, there has been no comprehensive assessment of CCM membership and its level of engagement with relevant health system entities in the country. This assessment is planned to be conducted through the CCM Evolution Project and the newly introduced Integrated Performance Framework (IPF).⁷² In 2024, as part of the CCM Evolution project transition plan, the Global Fund will provide technical assistance to select CCMs and expand Oversight Committee representation to include communities, RSSH, and integrated services. If implemented successfully, this aims to deepen understanding of CCM risk management, key strategy and disease priorities like RSSH.

To address the above challenges, the Global Fund introduced an RSSH Gaps and Priorities annex as part of the GC7 Funding Request. This annex aims to identify and prioritize essential RSSH investments, considering both health system strengthening and disease programs. However, the effectiveness of this approach is limited by the lack of accurate costing of needs for each of the system pillars. In Mozambique, for example, the GC7 RSSH Gap analysis revealed that some sub-strategies are not costed, making it difficult to determine the actual funding requirements.

Further, the **SR2023**, an evaluation by the Evaluation and Learning Office (ELO), reported that feedback on the RSSH Gap analysis tool use has shown that countries effectively identified RSSH issues within the control of disease programs, but struggled to integrate needs across the entire health system and map health system support from other partners.

3. Community engagement

There is a need for further improvements to maximize the voice of communities within CCMs to strengthen and facilitate inclusive oversight and monitoring during grant implementation.

To accelerate the pace of implementation, the new Strategy ensures a stronger role and voice for communities living with and affected by the diseases. This aims to reinforce the Global Fund Partnership and tackle barriers to effective participation and leadership, and to put the most affected communities at the center of the response. The CCMs play a crucial role in ensuring that the voices for communities are heard and that their needs are considered within Global Fund grants. However, there are several challenges that need to be addressed to strengthen the CCM model and make it more effective in promoting inclusive oversight and monitoring as summarized below:

- **Insufficient guidance on meaningful community representation:** CCM policy requirements state that CCMs should have a minimum representation of 40% from National Civil Society sectors, but there is no further break-down of this requirement across communities most affected by the diseases. Additionally, CCMs should have balanced gender representation (i.e., non-male representation should be minimum 40%), but this has not been tracked due to data privacy concerns.
- **Limited mechanisms for engagement during grant implementation and monitoring:** While community engagement has been strengthened during funding request development and grant making, limited mechanisms have been identified for engagement during grant implementation and monitoring. This could be addressed by developing specific requirements and best practices for community engagement at these stages of the grant life cycle.

⁷² The Global Fund developed a new Integrated Performance Framework (IPF) starting in 2023. The IPF integrates various forms of evaluations used to measure CCMs' performance into one comprehensive annual report, assessing the ongoing fulfillment of eligibility requirements and targeted performance objectives.

4. Audit findings

Partnership engagement

- **Uneven breadth of representation across affected communities and civil society:** The TRP observed that the “Civil Society and Communities priorities annex”, which was introduced as part of the funding request package for GC7 to provide a better picture of community needs, was not fully utilized. This is because it was missing critical ‘variables’ such as gender diversity, age, and geography. As a result, the TRP noted limited examples where all priority community stakeholders were documented as engaged.⁷³

According to the 2023 OIG Audit of Global Fund CCM, 79% of the Engagement interventions aimed at strengthening community engagement were yet to begin at the time of the audit. This reduced the time available to ensure maturity gains are embedded before the development and submission of funding requests for GC7. The audit also reported that none of the 27 Community-Based Monitoring activities had started as development of the training materials had not been finalized. However, the Secretariat has developed training materials and trained members from 36 CCMs on community-led monitoring in Q4 2023.

Adequate engagement of the CCM throughout the grant life cycle is key for the relevance and sustainability of interventions. Limited understanding of community needs and priorities, community acceptance and ownership of programs, and local capacity and leadership of affected communities are key areas to monitor closely during the strategy implementation. The CCM Integrated Performance Framework (IPF) now includes community-led monitoring (CLM) and oversight performance objectives, which will be tracked through the annual IPF reporting process starting in 2024.

To enhance the involvement of CLOs/CBOs in grant design and implementation, the Global Fund developed or updated guidance documents, internal policies, and processes for GC7. The Community Engagement Strategic Initiative assists civil society and community organizations in actively participating in Global Fund processes, including country dialogue, funding request development, grant-making, and oversight. Refer to finding 4.1.3 for details of the Global Fund’s approach to encouraging community-led and -based responses.

4.4.3 Positive steps taken to strengthen Secretariat’s collaboration with technical and development partners, but limited span of control may affect alignment and accountability at country, regional and global level.

According to the Global Fund Strategy, technical partners are responsible for guiding the response through global strategies to end the three diseases and for providing normative and prioritization guidance and political leadership. They are also responsible for providing technical support to help tailor responses to local contexts. On the other hand, development partners, including donors, contribute to the success of Global

Fund-supported programs and the national response through financial resources and expertise. They collaborate across the Partnership to advocate for the Strategy’s aims, ensuring investments are coordinated with and across other donors in support of the national response.

The **SR2023** found that the Global Fund’s partnerships with technical partners are generally effective, with disease-specific coordination platforms and select catalytic investments demonstrating particularly positive outcomes. The evaluation found that partner coordination platforms, such as the TB Situation Room, were effective in providing independent advice and mobilizing resources to address bottlenecks in Global Fund-financed country programs. The **SR2023** also found that certain catalytic Investments were instrumental in strengthening the Global Fund’s partnerships with technical partners. For instance, the Community Engagement Strategic Initiative was successful in establishing regional hubs led by civil society organizations (CSOs) to facilitate peer learning and exchange. These hubs played a key role in disseminating effective strategies and promoting community engagement in the Global Fund’s programs.

The review also found that partnerships covering new strategic priorities (such as RSSH, pandemic preparedness and community engagement) are not fully defined/mapped. The **SR2023** found that the Global Fund’s existing partnerships for RSSH, as well as human rights and gender equality beyond HIV, are suboptimal.

SR2023 outlines that, “...major gaps and issues in partnership for HR and GE remain for TB and malaria. Underlying reasons for these gaps include: stronger relationships between the Secretariat CRG team and HIV partners, and more limited engagement with TB partners in particular but also for malaria; and the well-developed understanding of HR barriers in HIV, with the evidence base on HR barriers for TB and malaria relatively newer and several countries more recently conducting HR and GE barrier analysis (whilst ‘underserved’ is used to refer to priority populations for malaria, this is not universally used, with for example stakeholders in Kenya remarking that use of the term ‘key population’, which is understood more in the HIV context, creates challenges to communicating HR barriers for TB and malaria).”

There are ongoing initiatives through the Partnerships Working Group to strengthen engagement with Global Fund technical and development partners and improve internal coordination and information-sharing within the Secretariat. The purpose of the Partnerships Working Group is to prepare a strategy delivery plan on how to strengthen the roles and accountabilities of Global Fund partners across all aspects of the new Strategy. In Q2 2023, the working group developed a partnership analysis approach and conducted a preliminary mapping of key partners with which a step change is needed to deliver on the strategic objectives.

4. Audit findings

4.5 A comprehensive mechanism to strengthen monitoring and accountability over strategy implementation has been designed. Further efforts are needed to monitor RSSH and PPR priorities, and to optimize Secretariat and Board governance.

4.5.1 Improved mechanisms to strengthen accountability over strategy implementation and ensure timely monitoring have been designed, but improvement is needed to better monitor RSSH and PPR as strategic priorities.

The Global Fund developed a comprehensive Monitoring and Evaluation (M&E) Framework for 2023-2028 to track its strategic performance and ensure accountability for results. The framework provides a systematic approach to collecting and analyzing data on the Global Fund's strategic performance, and includes four interconnected components that collect and analyze data from various sources, providing a holistic view of the Global Fund's progress towards its strategic goals. Each component contains interlinked measurement frameworks, systems, and tools that generate data and evidence that serve different purposes and audiences across Global Fund grants and Strategy life cycles as summarized in Figure 44.

FIGURE 44
Components of the M&E Framework⁷⁴

Strategic Monitoring

- Routine data collection, portfolio-wide aggregation, and analysis for reporting against Key Performance Indicators (KPIs)
- Provides assurance to the Board that the Partnership is performing according to objectives laid out in the Strategy
- **Frameworks and tools (illustrative):**
 - Key Performance Indicators (KPIs)
 - Strategic Performance Report

Program Monitoring

- Monitor performance of Global Fund investments, as well as progress of programs supported by these investments
- Allows the Global Fund to make decisions such as annual disbursements, grant performance assessments, and portfolio management, reprogramming or optimization
- **Frameworks and tools (illustrative):**
 - Grant Performance Frameworks (informed by Modular Framework)
 - Catalytic Investment Monitoring Frameworks
 - Country-led surveys, assessments, program reviews, and evaluations

Strategic & Thematic Evaluation

- Independent mechanism used to generate learnings that support the improvement of Global Fund investment and business model performance
- Provides assurance to the Board that the Partnership is performing according to objectives laid out in the Strategy
- **Frameworks and tools (illustrative):**
 - Multi-Year Evaluation Calendar

Secretariat Monitoring

- Monitor performance of Global Fund Secretariat operations
- Contributes to the assessment of core operating functions and processes to ensure they are facilitating Global Fund initiatives and investments, to achieve the objectives of the Strategy
- **Frameworks and tools (illustrative):**
 - Business Process Indicators (Performance & Accountability - P&A)

74 Source: Brownbag (i.e., staff information session): M&E Framework and focus on KPIs (January/February 2023)

4. Audit findings

1. Strategic monitoring through KPI framework

All strategic priorities are measured through KPIs aimed at measuring progress, however there is limited focus and coverage for selected RSSH KPIs that are tracked through targeted Health Facility assessments.

The Global Fund Strategy 2023-2028 includes a Key Performance Indicator (KPI) Framework that measures progress towards achieving the Strategy's overall goals and objectives. There is a total of 48 KPIs across all the new Strategy objectives. The KPIs are organized in three layers: Impact KPIs (4%),⁷⁵ Strategy outcome KPIs (88%)⁷⁶ and Financial KPIs (8%).⁷⁷

Improved design of KPIs with stronger focus on Global Fund accountability in strategic performance: For each KPI, the Secretariat has documented a rationale according to the five guiding principles for selection.

- Strategic **importance** and relevance
- **Integration** with other performance frameworks
- Global Fund **accountability**
- KPIs need to be **actionable** by the Secretariat
- **Availability** of data

Within the Secretariat, various departments and divisions own the different KPI results. As a reflection of the shared responsibility across the Secretariat, 56% (27 of 48) of the KPIs are co-owned by the Grant Management Division together with various technical functions.

Compared with previous cycles, there is more reliance on Global Fund portfolio performance as a majority of KPIs are using data that is already collected at the country level (i.e., 41% through grant reporting) to limit duplication and reporting fatigue. In addition, 49% of KPIs will be based on Global Fund-supported program performance and achievements. At the cohort level, 67% of KPIs will measure performance of the full portfolio for which the relevant intervention/activity is supported by the Global Fund.

While the new framework is effective in monitoring progress of the strategy's primary goal – to end AIDS, TB and malaria – there is limited focus, coverage, and assurance of strategic KPIs for selected RSSH that are tracked through targeted Health Facility assessments.

The cohort of countries for indicators, for which data will be collected through Targeted Health Facility Assessments (HFAs), is limited. There are 11 RSSH KPIs to monitor progress in building integrated, resilient, and inclusive health systems, including at the community level, for 2023-2028. Five KPIs track performance in a select group of high-impact and core countries, taking into account factors such as baseline maturity, emergency contexts, and levels of investment. These KPIs assess areas such as community service delivery, health management information systems, and availability of essential health commodities. Two additional KPIs focus on the introduction of new products and the maintenance of supply of key products at a global level.

The remaining four KPIs, which measure progress in integrated, people-centered, quality service delivery, supportive supervision at health facilities, integrated HTM services for pregnant women, and system readiness for community health workers, are based on results of targeted HFAs from a cohort of 18 countries. While the decision to select a cohort of 10-20 priority countries was endorsed by the Board, the selection criteria, based on multiple considerations, resulted in the selection of a cohort of countries representing 32% of the Global Fund's total direct RSSH investment for GC6. Some of the Global Fund's largest and highest impact recipients, including Democratic Republic of Congo, Bangladesh, South Africa, and Ethiopia are not included in the HFA cohort. The Secretariat also considered other factors in selection of the cohort such as feasibility (e.g., country political and security situation), as well as the Global Fund's level of accountability and actionability to influence the KPI results. As a result of low coverage of investments, the data and results obtained through these assessments will likely not materially reflect the progress made in enhancing integrated, people-centered health services, including supportive supervision at health facilities, HTM integrated services for pregnant women, and system readiness for community health workers across the Global Fund portfolio.

Limited measurement of outcomes of community health service delivery. One specific KPI measures percentage of countries with systems in place for community health service delivery. While this KPI appropriately focuses on quality of systems, integration at the level of national strategy, and service integration between community and health facility, it does not measure the impact of RSSH investments on improving health outcomes for communities.

⁷⁵ Includes 2 KPIs that measure the HIV, TB and malaria Incidence and mortality rate

⁷⁶ Includes 42 KPIs measuring outcomes and outputs for the primary goal, the four mutually reinforcing contributory objectives and the evolving objective

⁷⁷ Includes 4 KPIs measuring pledge conversion, corporate asset utilization, allocation utilization and in-country absorption

4. Audit findings

Challenges with monitoring performance and impact of RSSH investments due to insufficient in-country data. Various OIG audits including the [2019 OIG Audit of Managing Investments in RSSH](#), have highlighted several weaknesses in monitoring performance and impact of RSSH investments due to insufficient indicators and data. While some improvements have been made since then, the challenges persist due to the persistent lack of in-country data on areas of investment in RSSH. Historically, there has been low inclusion of RSSH indicators in performance frameworks. For instance, despite US\$161 million of investment in the community systems strengthening (CSS) module across 97 portfolios in GC6, only 12 countries had tracking indicators for their investments – equivalent to 38% of all CSS investments.

The inability to track progress and impact of RSSH investments over time creates challenges for performance improvement and accountability. This lack of data also limits the incentives for implementers to ensure that RSSH interventions are implemented effectively, as detailed in Finding 4.4.2.

2. Secretariat Performance & Accountability monitoring

Updated business processes and improvements to Secretariat performance monitoring are aligned with the new Strategy scope, but strategic KPIs are not fully aligned to relevant metrics.

The Secretariat has put in place a business process framework that lays out key business processes used in Global Fund operations across all departments and divisions. Each business process and sub-process is defined with process owners, contributors and outputs indicated.

The Secretariat has defined a Performance and Accountability (P&A) monitoring framework that monitors how the Secretariat collectively works and makes decisions to deliver on key priorities and the Global Fund strategy. P&A metrics are linked to annual organizational priorities and critical business processes, and provide leading indicators for the achievement of strategic objectives and KPIs. The P&A monitoring systems serve as an internal tool to track and measure the Secretariat's performance against annual organizational priorities and the Global Fund strategy.

The results of the P&A metrics are reported to the MEC and the broader Secretariat on a quarterly basis. They provide data and insights to both Secretariat teams and management to inform internal Secretariat decision making and improve operational performance.

The Secretariat has enhanced P&A framework for the 2023-2028 Strategy in a number of ways:

Revision of the business processes model to reflect the scope of the new Strategy: In Q2 2023, the Secretariat revised the business process model by updating various processes and sub-processes (i.e., updating process names and owners, adding and removing sub-processes as appropriate). The changes not only reflect the current operational structure of the Secretariat but also reflect the scope of the new strategic priorities.

Launch of new interactive management system for strategic and Secretariat performance monitoring: The Secretariat launched a new IT system (HORIZON) in Q2 2023 to facilitate monitoring of implementation. The new system includes information on P&A and KPI reporting (i.e., metrics, reports and dashboards), an interactive business process model, organizational planning (e.g., organizational priorities and division/department plans), and the new Strategy (i.e. strategy framework and the narrative). The system also provides a consolidated portal for submission of KPI and P&A performance data with automatic calculations to improve efficiency of analysis. The new system is accessible to all Secretariat staff and management, and includes data visualization dashboards to enable users to analyze and review performance.

Despite these improvements there is room to improve the alignment between strategic KPIs and P&A metrics:

P&A metrics are partially linked with Strategic KPIs: The P&A metrics are designed to monitor day-to-day Secretariat operations. The P&A framework indicators complement other Global Fund management reporting and provide indicative forward-looking information on the achievement of strategic priorities and objectives. By acting as 'leading indicators' of the new Strategy KPIs, P&A metrics can help management assess the effectiveness of Secretariat actions throughout the grant life cycle in achieving the strategic objectives. This allows for proactive and timely course correction where necessary. However, not all Strategic KPIs are covered by Secretariat internal P&A metrics. For example, the Strategic KPIs related to community systems, human rights, equality of access, pandemic preparedness, as well as health financing KPIs are partially reflected in the P&A metrics. Partial linkage is expected for some Strategic KPIs. This is due to the different levels of accountability with some Strategic KPIs measuring the overall success of the Partnership at global or country level, while Secretariat P&A monitoring only measures the contribution towards it.

There is an ongoing exercise by the Global Fund Secretariat to update the P&A metrics to better align with Strategic KPIs after completion of the GC7 grant making process. This is a critical activity. There is a risk that if the misalignment persists, it could create a disconnect between Strategic KPIs and day-to-day operations, limiting contributing technical teams' ownership and effective performance management of the Strategic KPIs.

4. Audit findings

Governance and Oversight

3. Program monitoring

A new set of indicators has been added to the modular framework to cover new strategic priorities, as well as to provide better guidance and mandatory coverage indicators to report on KPIs. Enhanced controls over development of performance frameworks, but there is a need for continuous oversight to ensure effective implementation.

This relates to monitoring of Global Fund investment performance, including grants and Catalytic Investments, and progress of Principle Recipient operations. Program monitoring is performed through routine and periodic collection of in-country data using existing routine national monitoring systems (where possible) and reported to the Global Fund by implementers on a regular basis.

The Secretariat collects, analyzes and uses program monitoring information on an ongoing basis to enable timely identification of emerging risks and issues for course correction. This monitoring information is also used for strategic oversight and decision-making by serving as the source for several KPIs. It periodically provides contextual information for factors that drive observed strategic performance, and it serves as input for Strategic & Thematic Evaluations where relevant.

For Global Fund investments through grants, programmatic performance is routinely monitored through various tools including Progress Update and Disbursement Requests (PU/DRs)⁷⁸ and tracked through coverage indicators within the grant performance framework. Monitoring frameworks for Catalytic Investments relating to matching funds and multi-country funds are also guided by, or integrated into, performance frameworks. For strategic initiatives, the monitoring frameworks are tailored for the specific measurement needs of the investment priorities.

Improvements to the modular framework made to enable program monitoring alignment to new Strategy for GC7: The Global Fund modular framework handbook serves as a reference guide for performance frameworks and grant budgets and helps link grant goals and objectives to implementation. It includes standard modules, interventions and performance indicators that are used throughout the grant cycle from funding request to grant implementation and progress reporting. The modular framework is regularly updated for each grant cycle to reflect changes in grant programs and to ensure further alignment with technical partners. For GC7, the following enhancements were made to the modular framework:

- **Modules, interventions and indicators were added to reflect the new strategic priorities:** The Global Fund created new modules and interventions to ensure

prioritization of key interventions and key populations. For instance, pandemic preparedness-related activities were added to existing modules and interventions under RSSH. The RSSH indicators were also updated to align with the new Global Fund strategy.

- **Guidance on indicator prioritization and selection:** The Global Fund further developed guidance on indicator prioritization and selection to ensure that critical indicators are included to monitor grant performance, as well as to increase consistency in reporting across the portfolio of Global Fund grants.

Enhanced controls and clarified roles in development of performance frameworks. There is a need to strengthen oversight of performance frameworks to ensure alignment between investments and programmatic results: The OIG Audit of the Global Fund approach to grant monitoring highlighted challenges in GC5 and GC6 with the alignment between grant performance and programmatic progress. While some of this misalignment is inherent with the multifactorial nature of disease outcome and impact, it is important that the Global Fund closely monitors achievement of impact in addition to assessing the performance of coverage indicators to ensure strategic investment of its resources. A better alignment of coverage (inputs) and impact/outcome indicators, coupled with better controls to ensure investments are tracked through robust coverage indicator targets, would help the Global Fund to enhance the measurement of its contribution to impact.

For GC7, the Secretariat enhanced controls through the updated Performance Framework Quality Assurance Checklist and clarified roles of Country Teams and various technical teams in the development of the performance framework. The performance framework is developed by the country applicants/implementers, and is reviewed by the Public Health and Monitoring & Evaluation (PHME) specialists with support from the Technical Advice & Partnerships (TAP) team or the Monitoring & Evaluation and Country Analysis (MECA) team. A new Programmatic Monitoring Department was created to improve program performance by supporting and strengthening in-country and Secretariat M&E systems and platforms, data collection, processing, and analytics, with the goal of strengthening data use for decision-making. While adjustments to the modular framework and guidelines partially address the misalignment, continuous oversight over the performance framework is necessary for successful implementation. This will ensure alignment between output and coverage, and material interventions, and also ensure that appropriate targets are set. These key areas will bring clarity, and ultimately improve tracking of programmatic performance.

⁷⁸ The Progress Update and Disbursement Request (PU/DR) is a comprehensive report completed by the Principal Recipients on grant programmatic and financial progress, as well as management issues. Performance indicators include impact, outcome and coverage indicators and disaggregation of indicators.

4. Audit findings

4. Strategic and thematic evaluations

A new evaluation and learning function has been established, with a multi-year evaluation calendar for the 2023-2028 Strategy.

Strategic and thematic evaluations are used to generate learnings to; (i) enhance the performance of Global Fund investments to ensure funds deliver maximum impact, (ii) optimize the Global Fund's business model to align internal structures with strategic objectives, and (iii) provide independent assurance on program progress by offering an assessment of successes and challenges.

In 2022, the Global Fund established a new independent evaluation and learning function to replace the Technical Evaluation Reference Group (TERG). The Global Fund evaluation and learning function is delivered through two structures: (i) the Evaluation and Learning Office (ELO) established in the Office of the Executive Director, and (ii) the Independent Evaluation Panel (IEP), an advisory and oversight panel that is independent from the Secretariat and accountable to the Global Fund Board through the Strategy Committee.

The IEP is expected to work with the ELO to strengthen the independence, credibility, and utility of evaluations through provision of quality assurance and quality assessment throughout an evaluation as follows:⁷⁹

- **Planning** – IEP approves the evaluation Terms of Reference (ToR) and reviews evaluator selection processes.
- **Conducting** – IEP reviews and comment on draft inception report and endorses changes, if any, in evaluation scope from ToR. The IEP also endorses the final inception report.
- **Reporting** – IEP provides an independent assessment of the final evaluation report against a defined quality assessment framework.
- **Use & follow-up** – IEP develops a commentary and prepares an annual report to the Board on capacities, independence and quality of the evaluation function.

A flexible multi-year evaluation calendar covering the new Strategy priorities is in place: The Global Fund Board approved an adaptable multi-year evaluation calendar for the 2023-2028 Strategy period. This structured approach will potentially streamline

processes, promote collaboration, and ensure utility of evaluations. By implementing a multi-year evaluation calendar, the Global Fund will ensure: (i) effective planning, promoting timely and relevant evaluations, (ii) enhanced coordination with other M&E components, the OIG, and partners, and (iii) reduced ad hoc requests that may not be well-aligned with the Strategy.

The approved calendar includes 21 evaluation topics that are categorized into three areas (i.e., critical cyclical,⁸⁰ critical complement to KPI framework,⁸⁰ and critical strategy delivery topics⁸²).

Given that the Evaluation and Learning Function has been recently created, it is not possible to provide opinion on its effectiveness. However, their independence, as well as solid methodologies and skills resources, are critical elements for the successful execution of their mandate.

4.5.2. Effective governance structure exists with efforts to clarify roles between different committees and enhance coordination. There are opportunities to further enhance efficiency and accountability.

The Global Fund is governed by a Board, which is the supreme governing body responsible for the strategic direction, financial commitments, risk management, and partnership engagement. The Secretariat, based in Geneva, is responsible for the day-to-day operations of the Global Fund, including monitoring and oversight of grant implementation, technical support, policy development, and fundraising.

The Global Fund benefits from an effective layered governance structure, but there is room to delegate more technical matters to the committees to ensure Board focus on strategic priorities.

The work of the Board operates through three standing committees: the Audit and Finance Committee (AFC), Ethics and Governance Committee (EGC) and the Strategy Committee (SC). The Board also has a Coordinating Group (CG) comprised of the Board and Committee Chairs and Vice-Chairs. The CG is a mechanism for coordination between the Board and its committees, specifically for cross-cutting issues. The overall objective of the CG is to enable strategic focus across all governance bodies and to establish broad priorities.⁸³

79 Source: Update on the Evaluation Function, 21st Committee Meeting, 13-14 March 2023

80 Refers to topics which examine cyclical stages of the business model with a focus on examining key levers for delivering on the Strategy

81 Refers to topics which contribute to assessing progress in challenging areas of measurement for the Strategy and whereby findings will fill an evidence gap and complement Strategic Monitoring (KPIs)

82 Refers to topics which provide additional learning and evidence in priority areas of Strategy with a focus on key changes as identified during Strategy Delivery planning and includes emerging trends and issues over the Strategy period that impact Strategy Delivery

83 For instance, in 2023, the CG was involved in discussion regarding the CCM Working Group, and oversight responsibilities over CCMs between the EGC and the SC

4. Audit findings

FIGURE 45
Summary of the roles and mandates of Board committees⁸⁴



The Strategy Committee is the main Board-delegated authority to provide oversight of the strategic direction of the Global Fund and ensure optimal impact and performance of its investments in health. The SC plays an advisory, decision-making and oversight role in execution of its delegated mandate:

- **Advisory role in** (i) development and review of the Global Fund strategy, and (ii) adoption and modification of monitoring and evaluation frameworks, key performance indicator frameworks, and multi-year evaluation calendars, to assess the Global Fund's performance with respect to the strategy and grant portfolio.
- **Decision-making powers** that include approving or modifying frameworks for implementing strategic policies adopted by the Board and overseeing advisory bodies like the Technical Review Panel (TRP) and the Independent Evaluation Panel (IEP).
- **Oversight role of** (i) identification, assessment, mitigation, monitoring and assurance of areas of risk that affect the implementation of the Global Fund's strategy, (ii) oversight of the strategy implementation through the grant portfolio and related initiatives of the Global Fund

Overall, the Global Fund Board has made significant progress in clarifying roles and responsibilities amongst standing committees. Following the independent Governance Performance Assessment in 2020 and the resulting Governance Action Plan 2.0, the Global Fund revised the committee mandates as follows:

- a) AFC to lead on oversight of the holistic Global Fund risk profile, while specific risks are overseen by the SC and EGC based on their respective mandates.
- b) More focused and distinct roles on Strategic Performance reporting and Board-approved Key Performance Indicators (KPIs):
 - i. The SC leads on advising and making recommendations to the Board on Strategy and impact KPIs,
 - ii. The AFC leads on financial management performance KPIs.
- c) Alignment of the EGC mandate with the evolution of the governance function, based on emerging areas of oversight and current EGC role, and as defined in existing policies or guidelines.

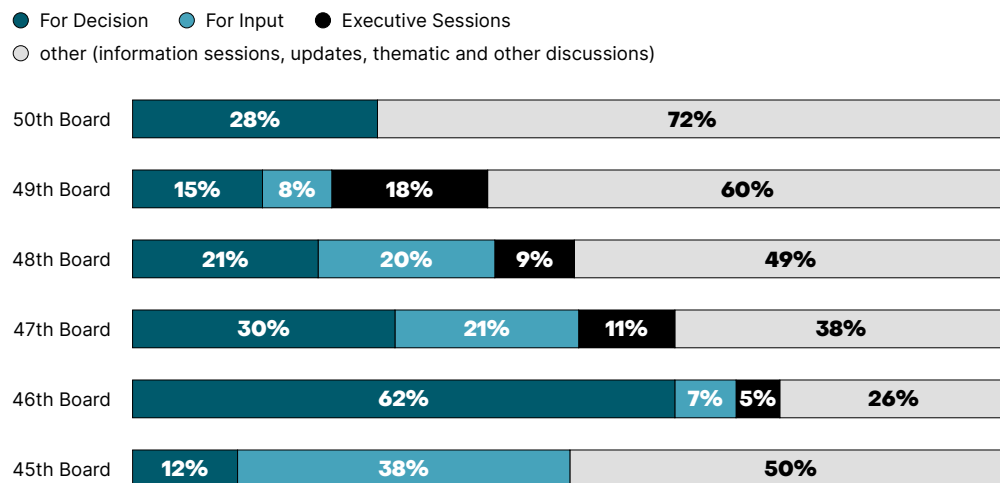
Despite clarifying roles and responsibilities, suboptimal delegation to these committees has led to duplication of efforts between the Board and its committees. An analysis of the Board and committee meeting agendas since 2021, found that an average of 29% (ranging from 15% to 56%) of the Board agenda involved duplication of items already discussed at committee level. (This excludes items for which preliminary work was done by committees but require a Board decision or approval. In addition, information sessions and updates to the Board on items previously discussed by committees, but allocated less time by the Board, were not counted as duplicates. The analysis also excludes time spent in pre-Board sessions).

A key lever to supporting delegation of Board topics to its committees is the constant collaboration between Board and committee members within each constituency. Committee members are drawn from the constituencies that make up the Board, serving a three-year term.

This duplication of efforts between the Board and its committees could potentially take focus away from strategic items. Since 2021, an average of 30% of Board time was spent on decision points; 17% of Board time was spent on items for Board input. Nearly half (49% on average) of the Board meeting time was spent on information sessions, updates, thematic and other discussions (refer to Figure 46 below). While there is a need for in-depth discussions at Board level on various topics of interest including information sessions dealing with important items, in line with constituencies priorities, the Board should remain attentive to the proportion of time spent on strategy priorities.

4. Audit findings

FIGURE 46
Allocation of Board meeting agenda (46th-50th Board)



The current Board composition reflects the global nature of the Fund but is not aligned with regional investments.

There are a total of 28 Board members comprising voting and non-voting (ex-officio) members, implementers and donors. The voting constituencies are organized in two groups – the implementer group and the donor group comprising voting members, with equal representation by implementers and donors (10 members each). Non-governmental organizations, communities affected by HIV, TB and malaria, private sector and private foundations are also represented as voting members.

There are eight ex-officio non-voting members of the Board comprising the Board Chair, Vice-Chair, Executive Director, and key partner organization representatives.⁸⁵

The Board’s composition aligns with the partnership approach, but the implementer group’s composition does not materially reflect the disease burden and funding allocation in decision-making. The composition and split of the 10 implementer constituencies includes seven regions, two NGOs, and one representative of community groups.

However, the three regions of East and Southern Africa (ESA), West and Central Africa (WCA) and South-East Asia (SEA) represent 74%-96% of global HTM disease burden and 85% of allocation for GC7. Refer to Figure 47 for details.

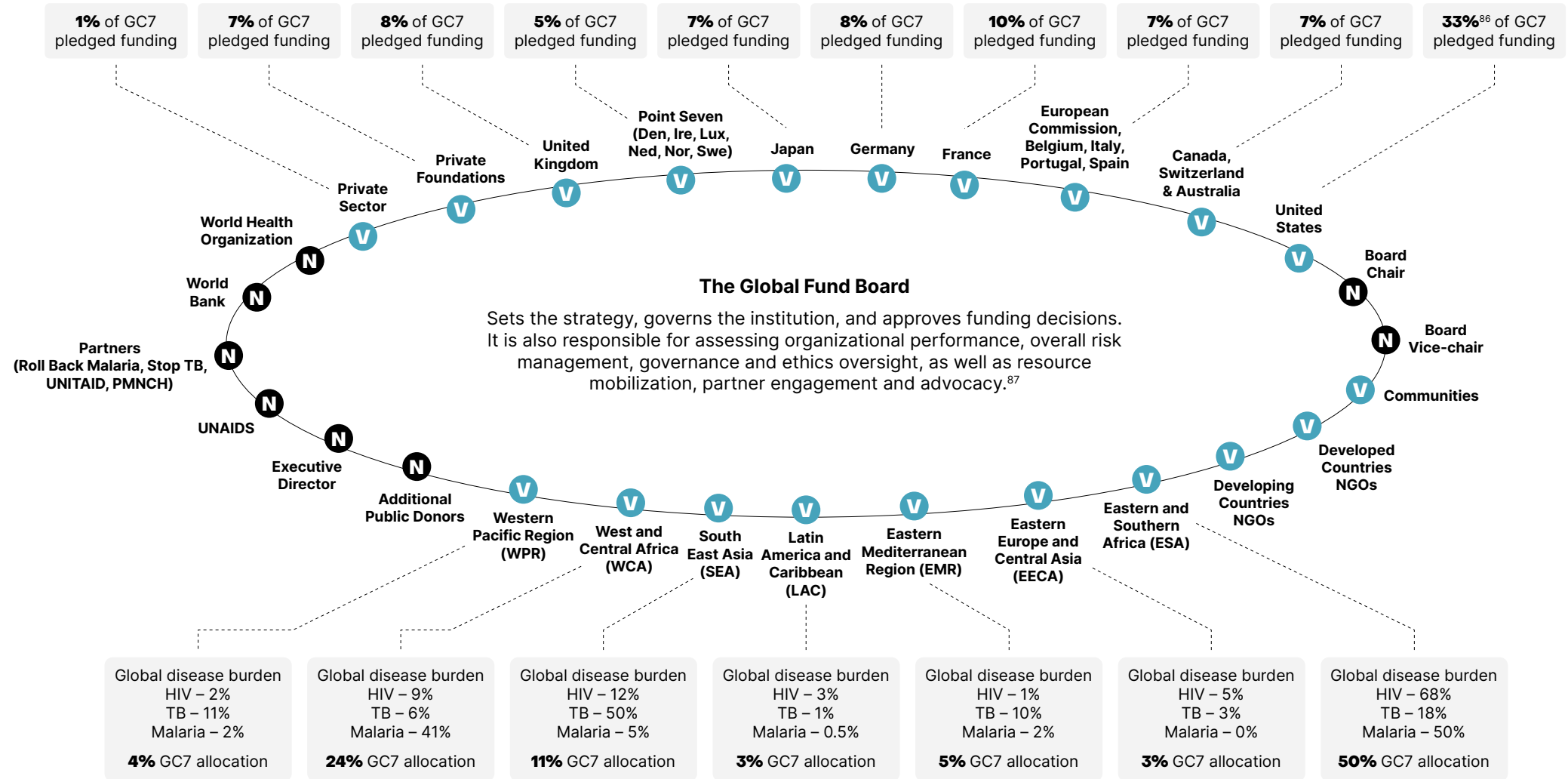
The regional constituencies reflect the WHO’s global regions, plus an extra region added for Africa. The Global Fund has not re-assessed implementer composition requirements since its foundation despite changes in disease burden and allocation over time. The situation is similar for the donor group, for which the number of seats is not aligned with the level of investments. The donor group composition was last assessed and revised in 2018. This is a known and well-understood balance. This is inherent in the model given that the Global Fund framework document requires the Global Fund to operate in a balanced manner in terms of different regions, diseases and interventions. Balancing diverse and occasionally conflicting interests among constituencies can impact trade-offs in decision-making. Board members are primarily responsible for representing their respective constituencies, whose interests may sometimes conflict. Therefore, the evolving disease landscape and technical demands of the new Strategy necessitate a more diverse and agile Board to ensure effective representation, decision-making, and oversight.

The Global Fund commissioned a Governance Performance Assessment (GPA) for 2023-2024. The GPA evaluated the Board’s ability to oversee the organization’s strategic direction and decision-making. One of the assessment objectives is to improve the Board’s effectiveness by identifying areas for enhancement in mandate delivery, composition, culture, and operation. The findings and recommendations of the report will inform an action plan to strengthen the Board’s core functions.

⁸⁵ Key partner organizations include UNAIDS; WHO; Partners (Roll Back Malaria, Stop TB, UNITAID, PMNCH); the trustee (World Bank) and additional Public Donors

4. Audit findings

FIGURE 47
Board composition and % of investments (donors) and disease burden (implementers)



86 The U.S. contribution to the Global Fund is subject to legislative restrictions, including that, during 2004-2023, no U.S. government contribution may cause the total share of U.S. government funds contributed to exceed 33 percent of total cumulative contributions from all sources





87 Source: Onboarding Guide for Board Members, February 2023

● Voting member ● Non-voting member

Annex 1

Audit ratings and methodology

General Audit Rating Classification

Rating	Definition
 Effective	No issues or few minor issues noted. The Global Fund resources, governance and partnership including policies, processes, systems and tools are adequately designed, consistently well implemented, and effective to provide reasonable assurance that the objectives will be met.
 Partially Effective	Moderate issues noted. The Global Fund resources, governance and partnership including policies, processes, systems and tools are adequately designed, generally well implemented, but one or a limited number of issues were identified that may present a moderate risk to the achievement of the objectives.
 Needs significant improvement	One or few significant issues noted. The Global Fund resources, governance and partnership including policies, processes, systems and tools have some weaknesses in design or operating effectiveness such that, until they are addressed, there is not yet reasonable assurance that the objectives are likely to be met.
 Ineffective	Multiple significant and/or (a) material issue(s) noted. The Global Fund resources, governance and partnership including policies, processes, systems and tools are not adequately designed and/or are not generally effective. The nature of these issues is such that the achievement of objectives is seriously compromised.

Methodology

The OIG audits in accordance with the Global Institute of Internal Auditors' definition of internal auditing, international standards for the professional practice of internal auditing (Standards) and code of ethics. These Standards help ensure the quality and professionalism of the OIG's work.

The principles and details of the OIG's audit approach are described in its Charter, Audit Manual, Code of Conduct, and specific terms of reference for each engagement. These help our auditors to provide high quality professional work, and to operate efficiently and effectively. They help safeguard the independence of the OIG's auditors and the integrity of their work. The OIG's Audit Manual contains detailed instructions for carrying out its audits, in line with the appropriate standards and expected quality.

The scope of OIG audits may be specific or broad, depending on the context, and covers risk management, governance, and internal controls. Audits test and evaluate supervisory and control systems to determine whether risk is managed appropriately. Detailed testing takes place across the Global Fund as well as of grant recipients and is used to provide specific assessments of the different areas of the organization's activities. Other sources of evidence, such as the work of other auditors/assurance providers, are used to support the conclusions.

OIG audits typically involve an examination of programs, operations, management systems and procedures of bodies and institutions that manage Global Fund funds, to assess whether they are achieving economy, efficiency, and effectiveness in the use of those resources. They may include a review of inputs (financial, human, material, organizational or regulatory means needed for the implementation of the program), outputs (deliverables of the program), results (immediate effects of the program on beneficiaries) and impacts (long-term changes in society that are attributable to Global Fund support).

Audits may also assess how Global Fund grants/portfolios are performing against target for Secretariat-defined key indicators; specific indicators are chosen for inclusion based on their relevance to the topic of the audit.

Audits cover a wide range of topics with a focus on issues related to the impact of Global Fund investments, procurement, and supply chain management, change management, and key financial and fiduciary controls.

Annex 2

Acronyms

ABC	Activity-based Contracting	GC5	Grant Cycle 5 (Grants funded in 2017-2019 allocation period)	MOH	Ministry of Health
AFC	Audit and Finance Committee	GC6	Grant Cycle 6 (Grants funded in 2020-2022 allocation period)	NGO	Non-governmental Organization
AGYW	Adolescent girls and young women	GC7	Grant Cycle 7 (Grants funded in 2023-2025 allocation period)	NSP	National Strategic Plan
AIDS	Acquired immunodeficiency syndrome	GC8	Grant Cycle 8 (Grants funded in 2026-2028 allocation period)	OPEX	Operating expenditure
ART	Antiretroviral therapy (ART)	GEM	Gender Equality Marker	OPN	Operational Policy Note
ARV	Antiretroviral (HIV/AIDS drugs)	GOS	Grant Operating System	PAAR	Prioritized Above Allocation Request
C19RM	COVID-19 Response Mechanism (Global Fund)	GPA	Governance Performance Assessment (Global Fund)	PFM	Public Financial Management
CBOs/		GPC	Global HIV Prevention Coalition	PHME	Public Health, Monitoring and Evaluation (Specialist)
CLOs	Community Based Organizations/ Community-Led Organizations	GTS	Global technical strategy for malaria (2016-2030)	PPR	Pandemic Preparedness and Response
CCM	Country Coordination Mechanism	HBHI	High Burden to High Impact (Malaria)	PR	Principal Recipient
CG	Coordinating Group	HFA	Health Facility Assessments	PSEAH	Protection from sexual exploitation, abuse and harassment
CHW	Community Health Workers	HFD	Health Finance Department	RSSH	Resilient and Sustainable Systems for Health
CI	Catalytic Investments	HIV	Human Immunodeficiency Virus	SC	Strategy Committee
CLM	Community Led monitoring	HMIS	Health Management Information System	SDG	Sustainable Development Goal (United Nations)
CRG	Community, Rights, and Gender	HPM	Health Product Management (Specialist)	SI	Strategic Initiative
CSOs	Civil Society Organizations	HTM	HIV, TB & Malaria	SO	Supply Operations department
CSS	Community Systems Strengthening	IBBS	Integrated Biological-Behavioral Surveillance Survey	SR	Sub-Recipient (Global Fund)
CT	Country Team	IEP	Independent Evaluation Panel	SR2023	(Global Fund) Strategic Review 2023
DFH	Domestic Financing for Health	IPF	CCM Integrated Performance Framework (Global Fund)	TA	Technical Assistance
EGC	Ethics and Governance Committee	IRM	Integrated Risk Management Module	TAP	Technical Advice and Partnership department
ELO	Evaluation and Learning Office (Global Fund)	KPI	Key Performance Indicator	TRP	Technical Review Panel (Global Fund)
ESA	East and Southern Africa	LFA	Local Fund Agent(s)	TB	Tuberculosis
FGHI	Future of Global Health Initiative	LLINs	Long-lasting insecticidal nets	UHC	Universal Health Care
FR	Funding Request(s)	M&E	Monitoring and Evaluation	UNAIDS	Joint United Nations Programme on HIV/AIDS
FTE	Full time Equivalent	MEC	Management Executive Committee	VfM	Value for Money
GAC	Grant Approval Committee			WCA	West and Central Africa
GAP	Governance Action Plan (Global Fund)			WHO	World Health Organization
GAVI	Gavi, the Vaccine Alliance				

Annex 3

Secretariat Management response

Introduction

The Office of the Inspector General (OIG) has issued an audit report examining the adequacy and effectiveness of the Global Fund's model in delivering the new Strategy. Specifically, the audit assessed the Global Fund's:

1. Approach to ensure grants are aligned to the strategy for Grant Cycle 7 (GC7);
2. Mechanisms to maximize available financial and human resources and catalyze domestic resources to deliver the new Strategy;
3. Engagement with in-country, technical and development partners to support delivery of the new Strategy; and
4. Governance and oversight mechanisms to monitor, prioritize and adapt the strategic priorities.

Given the broad, forward-looking and strategic nature of the audit, the Secretariat welcomes the opportunity to provide this detailed management response. This response discusses the audit's findings, both positive and critical, ongoing and planned Secretariat actions to improve performance in these areas, and the relevance of ongoing governance engagements and preparations for Grant Cycle 8 (GC8) to the findings. The Secretariat has carefully reviewed the audit findings and believes that many efforts and actions already underway, informed by other relevant audits and evaluations (particularly SR2023), form a solid foundation for responding to the audit's findings. These actions, detailed comprehensively below, describe prioritized areas for further Secretariat progression in the short term, while balancing the need to preserve, and not preempt, the Board's critical role in further shaping the Global Fund model based on the outcomes of the next Replenishment. Further evolving the Global Fund model to deliver the Strategy will be the core work of the Secretariat and Board across the next year, and the audit findings will continue to feed into these ongoing discussions as the partnership looks ahead to the second half of the Strategy period.

The Secretariat appreciates the coordination between the OIG and the independent Evaluation & Learning Office (ELO), which commissioned SR2023.⁸⁸ Both reports provide recommendations for the 2023-2028 Strategy period on closely related areas. The detailed Secretariat Management Response to SR2023⁸⁹ outlines time-bound actions that the Secretariat will undertake in response to the SR2023 recommendations, which will be monitored by the ELO. Many of the challenges identified by the audit are addressed through SR2023 actions. The Secretariat will ensure that ELO monitoring and reporting on SR2023 actions is shared with the OIG and relevant governance bodies.

Strategy aligned grants

The Secretariat welcomes the audit findings that "timely planning for strategy implementation both at the strategic and operational levels has facilitated the design of strategy-aligned grants, upholding country ownership and partnership principles" and that "the Global Fund Secretariat undertook extensive and timely updates to multiple policies, processes, systems, and tools to facilitate funding requests and grant-making for GC7".

On RSSH investments, the report recognizes that "the Global Fund has significantly invested in RSSH activities to support the HTM programs", that there is a "significant scale up of RSSH-PPR interventions through C19RM investments", and that there is "significant scale and complementarity between GC7 and C19RM investments". It notes that 60% of Grant Cycle 6 (GC6) RSSH investments focused on salaries, per diem, transport and other costs for supervision, meetings, training, information technology, technical assistance (TA), and incentives for healthcare workers, and concludes that "while these investments are critical to support the fight against the three diseases by filling the gaps, they contribute less to long-term systems strengthening". The Secretariat notes however that critical long-term systems strengthening efforts do not necessarily require large grant investments (e.g., legal frameworks for Community Health Workers (CHW) recognition), or are not part of country grants (e.g., policy engagement, technical assistance). And as highlighted in the Secretariat Management Response to SR2023, comparing funding amounts between RSSH activities can be misleading in view of their intended impact, noting country context and overall health system maturity. The audit also notes that "there is an opportunity to define further on what the Global Fund considers support and strengthening interventions". Delivering on the action committed in the SR2023 Secretariat Management Response, the Secretariat has updated the methodology to categorize and track contributory RSSH-PPR investments, which was endorsed by the Strategy Committee at its 25th Meeting in July 2025. The report concludes that "country level prioritization due to overall funding landscape and health system maturity limits the Secretariat's ability to guide the design of RSSH interventions to ensure alignment with the Global Fund strategy". The Secretariat highlights that Global Fund investments in RSSH focus on specific areas of strength and strategic relevance, and that the types of investments that are needed to make health systems progress and deliver on country-owned plans highly depend on country context. As part of the actions outlined in the Secretariat management response to SR2023, the Secretariat will review RSSH guidance in preparation for GC8 to ensure it is differentiated, prioritized, and that it builds on lessons learned from GC7 and C19RM RSSH investments. The Secretariat is also exploring a longer-term approach to technical assistance to address systemic bottlenecks to RSSH-PPR implementation.

⁸⁸ <https://www.theglobalfund.org/en/iel/evaluations/2024-04-01-end-term-strategic-review-2017-2023/>

⁸⁹ https://www.theglobalfund.org/media/14800/iep_gf-elo-2024-01-secretariat-management_response_en.pdf

Annex 3

Secretariat Management response

The Global Fund Secretariat acknowledges that the Global Fund partnership is off-track to achieve the 2030 global targets on HIV and malaria incidence reduction, as described regularly in the Secretariat's reporting to the Board on Key Performance Indicators (KPIs). Regarding malaria, the audit finds that the "approach to fighting malaria has clearly identified priorities", but notes that "there are opportunities for the creation of consolidated, prioritized, and differentiated plans for high burden countries for incidence reduction". The Secretariat notes that this task is beyond the Global Fund's mandate alone and is the active focus of the broader malaria partnership. For malaria, this includes the ongoing efforts of the High Burden to High Impact (HBHI) approach, which has a particular focus on subnational tailoring and capacity strengthening on data use for decision-making. The Secretariat has dedicated staff on the Malaria Team and embedded within the Grant Management Division to support this work. The Secretariat also continues to make concerted efforts to improve access to quality care at primary health facility and community levels where the majority of malaria cases are seen, noting that the RSSH focus countries overlap with the highest burden malaria countries. While the global partnership continues towards a coordinated action in the highest burden countries, the Global Fund continues to provide technical support to countries where there is limited partner engagement and funding, and that are dealing with complicated issues such as invasion of *Anopheles stephensi*, emerging resistance to antimalaria medicines, parasite gene deletions that evade diagnostic detection with the most commonly used rapid diagnostic test, as well as insecticide resistance and climate change. At the same time, the Secretariat is working with partners, including manufacturers, to bring to market affordable alternative products to address these emerging biologic threats. In addition, the Global Fund is actively engaged in the development of the "Big Push to 2030" - a global strategy that will set a common roadmap for all partners at all levels to enable progress towards malaria eradication with clear responsibilities for each partner.

On HIV, the audit notes that there is a "need to align and clarify prioritization and nature of enhanced support for incidence reduction". The Secretariat notes that technical partners are the entities responsible for setting normative guidance. As with malaria, the Secretariat is working with HIV technical partners, including partners of the Global HIV Prevention Coalition,⁹⁰ to define and support HIV incidence reduction countries, as is highlighted in the audit report. Specifically, the Global Fund HIV team, in close collaboration with the Communities Rights and Gender (CRG) team and the Grant Management Division, is leading an HIV Incidence Reduction Workplan which prioritizes support to 14 countries. Phase 1 of this workplan has focused on improving the quality and quantity of GC7 HIV prevention investments and resulted in both more and better-quality HIV prevention investments. Phase 2 is underway and focuses on implementation support to the 14 priority countries. Furthermore, the Global Fund Secretariat will, in line with the Secretariat Management actions in response to SR2023, review guidance for GC8 with a view of where to best incorporate more guidance regarding prioritization, including related to incidence

reduction. The Secretariat notes that technical partner guidance around prioritization, particularly within a resource-constrained environment, is critical and should be better articulated. When new technical partner guidance becomes available, the Secretariat will incorporate this into ongoing implementation and relevant GC8 guidance.

SECRETARIAT ACTIONS TO ADDRESS AUDIT FINDINGS	TIMEFRAME
<p>Delivering sustainable impact</p> <p>The Secretariat will present options for sustainability considerations to the Board, including review of the Eligibility, Allocation, Catalytic Investments and Sustainability, Transition and Co-financing (STC) policies in advance of GC8.</p>	December 2025
<p>GC8 guidance on RSSH-PPR</p> <p>The Secretariat will review its funding request documents and guidelines to ensure that guidance and information on RSSH is clearly articulated, differentiated, and easily understood by all stakeholders, and that it builds on lessons learned from C19RM RSSH investments (for example, on requiring engagement of RSSH/PPR coordinating entities and institutions). With respect to updates to policies and specific operational guidance documents, the Secretariat will undertake a holistic review of these in advance of GC8 and will consider the recommendations the evaluators have made with respect to the operationalization of different aspects (e.g., requirements for RSSH/PPR entities within country dialogue and Country Coordinating Mechanisms (CCMs), Principal Recipient (PR)/Sub-recipient implementing entities, partnership strengthening, TA possibilities) regarding investment prioritization.</p> <p><i>Secretariat Management Response to SR2023</i></p>	2024-2025, in preparation for GC8
<p>Contributory RSSH-PPR investments</p> <p>After endorsement from the Strategy Committee at its 25th meeting in July 2025, the Secretariat has updated the methodology to categorize and track contributory RSSH-PPR investments.</p> <p><i>Secretariat Management Response to SR2023</i></p>	2024 (completed)
<p>GC8 guidance on prioritization</p> <p>The Secretariat will review its funding request documents and guidelines with a view of where to best incorporate more guidance regarding prioritization, including to accelerate the introduction of new tools (such as new therapeutic tools) and technologies, noting that technical partner guidance should also provide guidance to countries on investment prioritization and use of new tools and technologies. GC8 guidance will also reflect lessons learnt from GC7 and Technical Review Panel (TRP) recommendations.</p> <p><i>Secretariat Management Response to SR2023</i></p>	Ongoing, in preparation for GC8

90 <https://hivpreventioncoalition.unaids.org/en>

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SECRETARIAT ACTIONS TO ADDRESS AUDIT FINDINGS	TIMEFRAME
<p>Grant and program performance monitoring</p> <p>The Secretariat will establish and/or revise its mechanisms to improve the use of programmatic, financial and supply operations data to strengthen grant and program performance monitoring and organizational oversight of grant and program performance results. This will include clarification of program monitoring roles and responsibilities.</p> <p><i>Approach to Grant Monitoring audit Agreed Management Action 1, GF-OIG-24-008</i></p>	30 June 2025
<p>GC8 guidance on gender and human rights</p> <p>The Secretariat will review its funding request documents and guidelines for GC8 and consider lessons learned from the implementation of the Gender Equality Marker (GEM) and the use of the technical briefs on GE and removing HR-related barriers to HIV and TB in GC7 as part the development of the materials for the next cycle. Strengthened use of program essentials as levers of investment in HR and GE programs will be considered.</p> <p><i>Secretariat Management Response to SR2023</i></p>	2024-2025, in preparation for GC8
<p>Annual KPI reporting on health equity, gender equality, human rights and community engagement</p> <p>The 2023-2028 KPI framework includes five KPIs (E1, E2a, E2b, E3a, E3b) that will specifically look at how the partnership is doing on Maximizing Health Equity, Gender Equality and Human Rights, while KPI C1 will look at community engagement. These KPIs will provide the Global Fund with insight on how the partnership is performing against its targets. KPI E3a will measure the satisfaction of women and gender-diverse communities with engagement across the grant cycle consistently at an acceptable level and has a target of a minimum satisfaction score of 75%. KPI E3B will look at the performance of gender-specific indicators, with a target of at least half of the gender indicators having performance of 90% or more within the defined cohort. KPI E1 will look at the scale up of programs to address Human Rights-related barriers.</p> <p><i>Secretariat Management Response to SR2023</i></p>	Ongoing (reporting for indicators is either spring or fall)
<p>Implementation of Gender Equality Fund</p> <p>As part of the GC7 Community Engagement Strategic Initiative (SI), funding will be used to focus on strengthening women, girls and gender diverse community engagement in national gender equality dialogue, policy and planning processes with focus on integrating HTM-related interventions. Reporting will be provided through bi-annual updates to the Strategy Committee (SC) on GC7 SI implementation.</p> <p><i>Secretariat Management Response to SR2023</i></p>	2024-2026

SECRETARIAT ACTIONS TO ADDRESS AUDIT FINDINGS	TIMEFRAME
<p>CLO/CBO engagement in implementation; operational guidance review</p> <p>The Secretariat has been undertaking a review of operational policies and processes with a view to revising requirements to facilitate strengthened Community Led Organization (CLO)/Community Based Organization (CBO) engagement in implementation of Global Fund supported programs. A range of guidance documents, alongside internal policies and processes have been updated for GC7 to incorporate strengthened emphasis on the need to include CLOs/CBOs in implementation given their comparative advantage in key programmatic areas. These have included budgeting guidelines, PR guidance, grant approval and recommendation processes, TRP guidance, and risk metrics and mitigations. Alternative approaches to contracting below the PR level, including results-based funding models better suited for CLOs/CBOs, are being integrated, and related guidelines, policies and processes will then be updated. Facilitating CLO/CBO engagement and inclusion in implementation arrangements will remain a priority for the full Strategy period and inform preparation for GC8.</p> <p><i>Secretariat Management Response to SR2023</i></p>	Ongoing, in preparation for GC8
<p>Community engagement and representation</p> <p>New measures intended to strengthen and better evaluate community engagement in Global Fund related processes were integrated into the roll-out of GC7. These included community engagement minimum expectations at key stages of the grant life cycle (from funding request development, through grant-making, and during implementation), updated guidance, incorporation of a community and civil society priorities annex as a required document at the time of funding request submission and strengthened coordination and collaboration between the Secretariat and key partners on support. In addition, Secretariat-managed initiatives such as the Community Engagement (CE) Strategic Initiative (SI) are providing direct support to community led networks and organizations to develop and implement 'community engagement plans' across the portfolio. Assessment of these measures will continue over 2024 and, along with data from KPI C1 reporting and the findings of the planned independent thematic evaluation on community engagement, will be used to inform further actions/revisions for GC8.</p> <p><i>This action is also relevant for the OIG audit findings under "Partnership Engagement" and is outlined in the Secretariat Management Response to SR2023</i></p>	Ongoing, in preparation for GC8

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Mechanisms to maximize resources

Financial resources

The audit finds that “the Global Fund has a cost-efficient operating model”, highlighting that the Global Fund invests more than US\$9 in countries for every US\$10 received. Considering Value for Money (VfM), the report concludes that “the Global Fund’s framework is more comprehensive than the frameworks of peer organizations and is well tailored to the organization’s mission”. The report calls for further efforts to embed the VfM Framework into key processes. The Secretariat is committed to operationalize the VfM framework through implementation of the VfM roadmap, as outlined in AMA 1 of the OIG VfM Audit of Global Fund investments in Health and Laboratory- related equipment.⁹¹

While recognizing that there are “ongoing efforts to prioritize Seventh replenishment resources” the audit observes that “there is an opportunity to further assess, articulate and communicate the impact of funding trade-offs on the implementation of strategic priorities”. The report concludes that it is a missed opportunity that “the Secretariat did not articulate further prioritization and trade-off options for the Board’s steer” at the 50th Board Meeting in November 2023. While acknowledged in the report, the Secretariat underscores that in November 2023, 70% of GC7 grants had gone to the Board for approval or were in final stages of grant-making. With most of the GC7 grant portfolio scheduled to begin implementation on 1 January 2024, November 2023 would have been much too late to incorporate Board steer on prioritization. As part of the discussion about Sources and Uses of Funds in November 2022,⁹² the Secretariat discussed with the Board that the scope and scale of what the Global Fund partnership can achieve under this Replenishment is constrained. After the Board decision on the Sources and Uses of Funds,⁹³ prioritization happens primarily at the country level, based on country-owned plans and aligned with the principle of country ownership. Further, the Strategy KPIs which measure progress towards achieving the objectives of the Global Fund’s 2023-2028 Strategy, are based on available funding with progress regularly reported to the Board.

The report suggests that the Secretariat “has the opportunity to further analyze and identify which strategic areas have been deprioritized in grants”, to “identify which specific strategic priorities are most at risk” and “identify which areas should be scaled up should additional funding become available either through the next replenishment or other resource mobilization mechanisms”. The Secretariat does not agree that a separate exercise is required as this is captured in existing processes. As part of country level prioritization, countries are expected to prioritize the most impactful interventions within existing resources and based upon their unique country contexts, and these grants are reviewed by partners at the Grant Approvals Committee (GAC) and approved by the

Board. In addition, countries include a request to fund priority investments that cannot be funded because of limited resources – a “prioritized above allocation request” – in their funding application. Interventions that the TRP finds to be strategically focused and technically sound are registered as “unfunded quality demand (UQD)”, to be funded when additional resources become available during GC7 or by other partners. When and if additional funding becomes available for portfolio optimization, the Secretariat will apply the Strategy Committee-approved prioritization framework and engage with partners to identify business cases for additional funding. As of September 2024, over US\$5 billion remains in GC7 UQD, with US\$3.8 billion assessed by the TRP as ‘High Priority’. This is in addition to the US\$1 billion approved by the TRP as UQD already funded by savings and efficiencies during grant making.

To maximize impact of available resources, as part of ongoing discussions on sustainability, the Secretariat will present recommendations to the Committees and Board on advancing sustainability considerations, prioritization within core policies and resource availability, including with respect to Eligibility, Allocation Methodology, Catalytic Investments and Sustainability, Transition and Co-financing (STC) in advance of GC8. In addition, as outlined in the SR2023 Secretariat management response, the Secretariat will review GC8 guidance with a view to further strengthen sustainability considerations (e.g., STC, VfM, Core Information Notes, Program Essentials). The Secretariat will continue to consider the audit findings as the Secretariat and Board evolve the Global Fund model to deliver sustainable impact and protect the gains, including in the upcoming Board decisions in preparation for GC8.

Human resources

The audit finds that “the Global Fund has continuously adapted its structures and resourcing model to deliver on the evolving mandate”, but that “clarification of key roles to enhance accountability over strategy delivery is needed”. Specifically, the report notes that “there is an opportunity to further define technical team mandates and engagement protocols, and that “the oversight, monitoring and reporting role is interpreted differently and is inconsistently performed by different technical teams”. The Secretariat notes that the audit groups all technical teams together and does not consider that the roles of finance, legal and risk are different from the roles of disease, RSSH and CRG technical teams. The first group can be categorized as second-line” functions, focused on oversight, monitoring and compliance, while the second provides technical programmatic advice that is highly differentiated by country context rather than a monitoring and oversight role. In collaboration with country teams, these technical teams must balance technical guidance with the operational and financial context in a country, upholding country ownership. Engagement protocols would weaken the agility and differentiation required

91 https://www.theglobalfund.org/media/13602/oig_gf-oig-24-001_report_en.pdf

92 GF/B48/03 Part B- Revision 1

93 GF/B48/DP04

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from both technical and country teams to respond to individual country contexts. When the collaboration between technical and country teams does not work effectively, there are existing escalation channels and points throughout the grant cycle to ensure alignment (including through the Pre-GAC and GAC). The forthcoming OIG Risk Advisory will also cover these areas and the Secretariat will consider the findings of this audit and the Risk Advisory together.

The audit concludes that “the Global Fund can further optimize the deployment and utilization of human resources to maximize their contribution in achieving the strategic objectives”, noting that 25% of the grant-facing workforce is allocated to oversee 9% of Global Fund financial investments in Asia, Eastern Europe, Latin America and Caribbean (AELAC) regions. The Secretariat notes that these regions include some of the most complex portfolios and that as the report notes, deployment of resources to smaller portfolios is required to protect support for key populations and ensure responsible transition from Global Fund funding. The audit also notes that the Secretariat should “continuously assess the optimal workforce balance between grant implementation and technical advice and support”, referencing a 2011 high-level panel report which advised that country teams should comprise at least 50% of overall Secretariat headcount. The Secretariat notes that this report was published at the time the Global Fund had a rounds-based model, which required different functions than the current allocation-based model. In addition, the adequate balance between grant implementation and technical support is partially dependent on the Replenishment, and every cycle after the Replenishment results are known, the Board decides on the optimal deployment of resources across country allocations, Catalytic Investments and OPEX. The Secretariat is nonetheless addressing the risks raised through ongoing work as part of the 2023-2028 People & Organization (P&O) Ambition and Workforce Planning. One of the objectives of the 2023-2028 P&O Ambition is to ensure a continuously agile organization, including a strategy-aligned structure. Through its Workforce Planning Framework, the Secretariat regularly assesses, plans and modifies resources, skills and budget allocation to guarantee optimal delivery of the Global Fund’s mission and Strategy. Updates are provided to the AFC at least once a year as part of the P&O update.

SECRETARIAT ACTIONS TO ADDRESS AUDIT FINDINGS	TIMEFRAME
Financial resources	
Delivering sustainable impact The Secretariat will present options for sustainability considerations to the Board, including review of the Eligibility, Allocation, Catalytic Investments and STC policies in advance of GC8.	December 2025

SECRETARIAT ACTIONS TO ADDRESS AUDIT FINDINGS	TIMEFRAME
VfM roadmap The Secretariat will progress the prioritization and operationalization of dimensions of the VfM Framework (with a focus on efficiency, equity and economy) in core grant processes, by developing and materially commencing implementation of a roadmap leveraging OIG VfM audit findings together with other VfM assessments conducted by the Secretariat. <i>Value for Money Audit of Global Fund investments in Health and Laboratory- related equipment Agreed Management Action 1, GF-OIG-24-001</i>	31 March 2026
Updating Co-financing Operational Policy Note (OPN) The revised OPN will clarify the policy requirements and how they are applied, including how and when waivers may be used. A process for withholding of funds in cases of non-compliance is already articulated in the existing OPN on co-financing and the Secretariat will review this process as part of the development of the refreshed OPN. Interim guidance is in place that meets the requirements of GC7 grantmaking. <i>Secretariat Management Response to SR2023</i>	2024
Sharpening the use of programmatic co-financing commitments Linked to the development of an updated co-financing OPN, the Secretariat is using dialogue with countries connected to GC7 grant-making to improve the extent to which specific programmatic co-financing commitments are made – and then assessed during grant implementation - which will respond to the STC policy objective of absorbing the costs of key program components such as human resources, procurement of essential drugs and commodities, programs that address human rights and gender related barriers, and programs for key and vulnerable populations, and at the same time tackling key bottlenecks to sustainability. <i>Secretariat Management Response to SR2023</i>	Ongoing
Co-financing processes and data The Secretariat has made significant progress in reviewing data quality and governance for co-financing and has developed an interim data platform to support GC7 grant-making and the data quality and accountability requirements of the first reporting of the new KPI R1A. The Secretariat is reviewing how to integrate routine collection of co-financing data into transactional systems that support the grant life cycle, that will improve data quality and data governance on co-financing and link it more accountably to existing processes. Linked to this, at country level, the Secretariat has been working to enhance the visibility of the STC policy, and awareness of the data and reporting requirements. <i>Secretariat Management Response to SR2023</i>	Ongoing

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SECRETARIAT ACTIONS TO ADDRESS AUDIT FINDINGS	TIMEFRAME
<p>Joint/Blended finance</p> <p>The Board and Secretariat see joint and blended finance as promising ways to mobilize additional domestic resources behind the fight against the three diseases and leverage existing health system financing to better link to outcomes on HTM. In November 2023, the Board approved a Framework to Guide the Development, Review, Approval and Implementation of Blended Finance Transactions which will allow the Secretariat to scale-up these types of transactions in a more streamlined way, working with multilateral development banks in particular.</p> <p><i>Secretariat Management Response to SR2023</i></p>	Ongoing
<p>GC8 catalytic investments priorities</p> <p>The Secretariat will review, in consultation with technical partners, how to best leverage this modality to incentivize specific interventions and to mobilize additional resources. The ability to use this modality to push specific interventions or areas of focus will depend on the overall sources of funds available for catalytic investments in GC8 and the prioritization of investment areas by the SC/Board.</p> <p><i>Secretariat Management Response to SR2023</i></p>	December 2025
<p>Human resources</p>	
<p>Simplification & Agility</p> <p>The Secretariat will review its processes and procedures with the view of further simplification (including Funding Request and Grant Making processes and requirements), including looking to where elements can be integrated and where tools such as artificial intelligence and machine learning can be leveraged to further reduce workload. As part of this exercise, the Secretariat will review and address unintended counterproductive incentives (to the extent they are meaningful, and within the Secretariat's sphere of control) at different stages within the grant lifecycle. Regarding simplification in particular, a lens will be taken to ensure critical guidance on differentiating according to country context, or other important areas of technical guidance, are not lost. Overall, both areas of work will seek to ensure that the aims of the Strategy are best incentivized through Global Fund guidance, tools and processes, but done in the simplest way possible.</p> <p><i>Secretariat Management Response to SR2023</i></p>	2024-2025, in preparation for GC8

Partnership Engagement

The Secretariat agrees with the report's observation that the success of the Global Fund model depends on strong partnerships at both the global and country level. The Secretariat appreciates the OIG highlighting this important issue. The audit finds that "continuous efforts are made to involve partners in various Global Fund processes and decisions" and highlights "positive steps taken to strengthen the Secretariat's collaboration with technical and development partners".

On RSSH partnerships, the audit notes that limited implementer capacity may affect the implementation of the Strategy's RSSH-PPR objectives. The report also highlights that RSSH activities are often implemented by national disease programs as PRs and health system entities as Sub-recipients and concludes that this "creates integration issues and limited Principal Recipient oversight, which is one of the factors leading to typically low absorption on RSSH interventions". As part of preparations for GC8, informed by the audit's findings and SR2023, the Secretariat is exploring differentiated approaches to supporting countries in strengthening systems for health. This includes approaches for deeper integration of HTM investments within country health systems, and enhanced support to implementers through TA and set-asides to further advance integration and coordination. These approaches will build on lessons learned from the expanded TA partnerships part of the GC6 and GC7 SIs and the C19RM centrally managed limited investments (CMLIs), to inform a longer-term approach to TA to address systemic bottlenecks to RSSH-PPR implementation.

The report notes that "RSSH investments are primarily based on and guided by disease-specific National Strategic Plans (NSPs)" instead of national health plans and concludes that "this approach does not consider the needs of the broader health system context and may lead to suboptimal resource allocation and coordination". As the report highlights, an RSSH Gaps and Priorities annex was introduced in GC7 as part of the funding request, which aims to identify and prioritize essential RSSH investments. Applicants are requested to outline how cross-cutting RSSH priorities are aligned with those articulated in the national health sector plan and other key national policies and strategies. As noted in the report, national health sector plans are often too high-level to inform Global Fund investments. By complementing the Funding Request, this approach aims to bring relevant plans together to prioritize RSSH investments, including disease-specific NSPs and the national health sector plans. The report notes that CCM oversight of RSSH activities is often limited, contributing to low absorption. As outlined in the Secretariat Management Response to SR2023, there are ongoing efforts to ensure that relevant government departments and community implementers are fully engaged in CCM discussions, including on monitoring, oversight, and planning for GC8.

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Furthermore, as part of the C19RM shift,⁹⁴ the Global Fund has prioritized investments in thematic health systems components that are also critical for pandemic preparedness. Whilst overall progress will be monitored in all 42 RSSH priority countries, a system for intensified monitoring and oversight has been set up for 17 cohort countries, selected on the basis of the size of the investment and/or potential impact.

The Secretariat appreciates that many of the audit findings related to partnerships build on SR2023 findings and refers to the Secretariat Management Response to SR2023 for the actions that the Secretariat is undertaking in this area.

SECRETARIAT ACTIONS TO ADDRESS AUDIT FINDINGS	TIMEFRAME
<p>Implementation of RSSH-PPR investments</p> <p>The Secretariat will focus on a subset of priority countries to accelerate implementation of GC7 and COVID-19 RSSH-PPR investments through increased Secretariat support, more focused technical assistance (for example through the CMLIs and SIs) and optimized implementation arrangements for delivering RSSH-PPR interventions (noting this may be at Sub-recipient or sub-sub-recipient level rather than PR level). Efforts will also focus on ensuring that relevant government departments and community implementers are fully engaged in CCM discussions, for example on monitoring, oversight, and planning for GC8.</p> <p><i>Secretariat Management Response to SR2023</i></p>	Ongoing, in preparation for GC8
<p>RSSH-PPR Technical Assistance (TA)</p> <p>As part of the GC6 and GC7 SIs and the CMLIs, there has been an expansion of TA partnerships (for example, Africa CDC, Africa Society for Laboratory Medicine (ASLM), Clinton Health Access Initiative (CHAI), Last Mile Health, Task Force for Global Health) to provide longer-term TA on key topics, including community health workers, surveillance, labs and supply chains. There is ongoing work to examine how the impact of this TA can inform a longer-term approach to TA to address systemic bottlenecks to RSSH-PPR implementation and enhanced engagement with the donor Core Group of set-asides in priority countries to ensure their TA is focused on key areas, effective and impactful.</p> <p><i>Secretariat Management Response to SR2023</i></p>	Ongoing, in preparation for GC8

SECRETARIAT ACTIONS TO ADDRESS AUDIT FINDINGS	TIMEFRAME
<p>Community engagement and leadership</p> <p>To strengthen the responsiveness of Global Fund supported programs to community needs and priorities, the Global Fund will continue to facilitate greater recognition of communities most affected by the three diseases as legitimate actors with unique relevant technical expertise, skills and experience. Strengthening meaningful community engagement and leadership will continue as a priority throughout the Global Fund model and grant life cycle to ensure our investments remain responsive to actual and changing needs of people and communities by: investments to support communities most affected by HTM to engage at country level; tracking and reiterating community engagement minimum expectations; and delivering KPI C1 and community-led thematic evaluations which are timed to inform GC8 related strategies.</p> <p><i>Secretariat Management Response to SR2023</i></p>	Ongoing, in preparation for GC8
<p>Community engagement and representation</p> <p>New measures intended to strengthen and better evaluate community engagement in Global Fund related processes were integrated into the roll-out of GC7. These included community engagement minimum expectations at key stages of the grant life cycle (from funding request development, through grant making, and during implementation), updated guidance, incorporation of a community and civil society priorities annex as a required document at the time of funding request submission and strengthened coordination and collaboration between the Secretariat and key partners on support. In addition, Secretariat-managed initiatives such as the CE SI are providing direct support to community led networks and organizations to develop and implement 'community engagement plans' across the portfolio. Assessment of these measures will continue over 2024 and, along with data from KPI C1 reporting and the findings of the planned independent thematic evaluation on community engagement, will be used to inform further actions/revisions for GC8.</p> <p><i>This action is also relevant for the OIG audit findings under "Strategy aligned grants" and is outlined in the Secretariat Management Response to SR2023</i></p>	Ongoing, in preparation for GC8

94 <https://www.theglobalfund.org/en/covid-19/response-mechanism/c19rm-extension/>

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Governance and Oversight

The audit finds that “a comprehensive mechanism to strengthen monitoring and accountability over Strategy implementation has been designed”, including “improved design of KPIs with stronger focus on Global Fund accountability in strategic performance”, “improvements to the modular framework” and that “updated business processes and improvements to Secretariat performance monitoring are aligned with the new Strategy scope”.

On the monitoring of RSSH investments, the audit correctly highlights that the data for four out of 11 RSSH KPIs in the 2023-2028 KPI Framework⁹⁵ will be collected from a cohort of 18 countries through targeted Health Facility Assessments (HFAs). The audit notes that the direct RSSH investments in these 18 countries represent 32% of total direct RSSH investments in RSSH and concludes based on this datapoint that there is low KPI coverage of RSSH investments. The Secretariat clarifies that these four KPIs cover 34% of the Global Fund’s direct RSSH investments for GC6 in the areas of Human Resources for Health, Health Sector Governance and Planning, and Integrated Service Delivery, but these areas only represent 28% of total direct RSSH investments in GC6.⁹⁶ Other areas of direct RSSH investments are well covered by corresponding KPIs. It is therefore incorrect to focus on four KPIs that are not intended to measure the full spectrum of RSSH investment areas to assess how performance is tracked for total direct RSSH investments. The majority of total RSSH direct investments (37% in GC6) is for Health Management Information Systems (HMIS) capacity building, and all High Impact / Core countries are in the cohort of the corresponding KPIs. 11% of the direct GC6 RSSH investments goes to Community Systems Strengthening (CSS) with a corresponding KPI covering all eligible countries, and 9% to Health Product Management where the KPI cohort covers all large portfolios. The audit report notes that some of the Global Fund’s largest recipients are not included in the cohort for KPIs based on targeted HFAs, for instance South Africa and Bangladesh. However, the Secretariat notes that the majority of GC6 direct RSSH investments in Bangladesh are in different areas than those measured through targeted HFAs - almost 80% of the GC6 direct RSSH investments are for HMIS and 7% are for CSS; and Bangladesh is in the cohort of the corresponding KPIs (S6a, S6b, S7, S4). For South Africa, more than 30% of the GC6 direct RSSH investment is in CSS, 30% is for HMIS and 25% is for Health Product Management. For each of these areas, South Africa is in the cohort of the corresponding KPIs. Therefore, it appears that the performance of more of 85% of the direct RSSH investments is tracked in these two countries, even if they are not in the cohort of the KPIs based on targeted HFAs. The Secretariat also notes that the targeted HFA cohort of 18 countries, approved by the Board following an extensive consultation process with internal and external experts, includes a limited number of countries to ensure a proper balance between representativeness of results

and sufficient financial and human resource capacity at country level. Finally, as part of standard practice, the Secretariat reviews the Board-approved KPIs every allocation cycle based on lessons learned and as new data becomes available and presents any recommended adjustments to the SC and Board for approval.

SECRETARIAT ACTIONS TO ADDRESS AUDIT FINDINGS

TIMEFRAME

Grant and program performance monitoring

The Secretariat is establishing and/or revising its mechanisms to improve use of programmatic, financial and supply operations data to strengthen, grant and program performance monitoring, organizational oversight of grant and program performance results. This will include clarification of program monitoring roles and responsibilities.

Approach to Grant Monitoring audit Agreed Management Action 1, GF-OIG-24-008

30 June 2025

Looking ahead

In the current challenging and resource constrained environment, the audit provides helpful independent verification that “the Global Fund Model has been pivotal in mobilizing resources, fostering partnerships, and implementing health programs to end the epidemics of AIDS, tuberculosis (TB), and malaria as well as strengthening health systems”. The audit report concludes that “the Global Fund partnership has achieved remarkable success in the fight against the three diseases”.

The audit raises helpful considerations to maximize the impact of Global Fund investments, which the Secretariat will continue to use to inform the ongoing operationalization of GC7 and preparations for GC8, including in proposed Board decisions and ongoing governance engagements. It is reassuring that many of the findings are already being addressed in ongoing efforts and initiatives, including through the actions outlined in the Secretariat Management Response to SR2023.

We thank the OIG for this audit report and appreciate the OIG’s engagement with the Secretariat in the audit process. The work of the OIG complements the active monitoring and controls put in place by the Secretariat and upholds our proactive approach to detecting and being fully transparent about challenges in the implementation of our Strategy. The Global Fund Secretariat is committed to ensuring we maximize the value of our investments and improve their effectiveness to fight HIV, TB and malaria, and build stronger, more inclusive and more resilient and sustainable systems for health.

⁹⁵ <https://www.theglobalfund.org/en/monitoring-evaluation/strategic-monitoring/>

⁹⁶ Excludes C19RM investments