

**STEP UP
THE FIGHT**



Report of the Executive Director

42nd Board Meeting

GF/B42/05

14-15 November 2019, Geneva, Switzerland

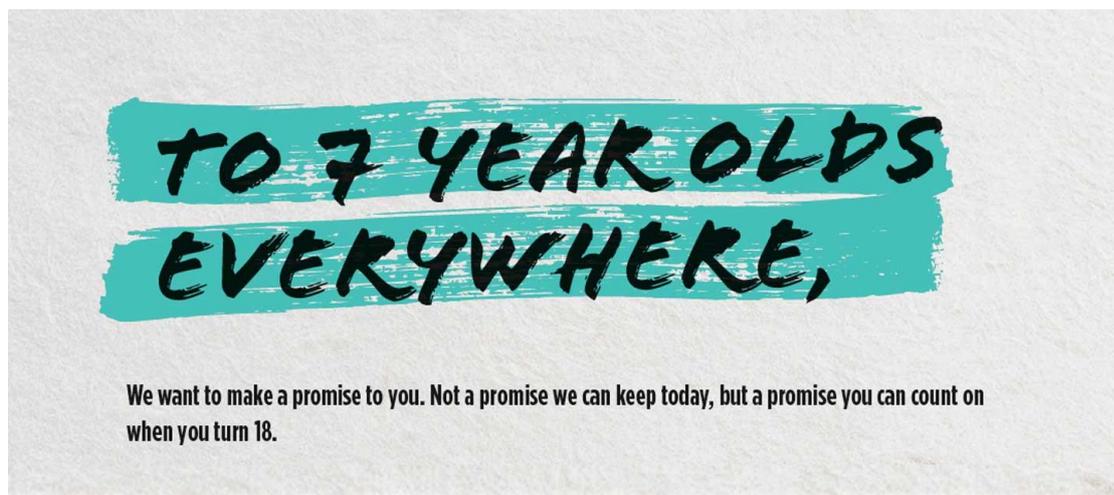
Board Information

Dear Board Members, Colleagues, Friends,

It is a privilege to be presenting my second annual Report of the Executive Director only a couple of weeks after our Sixth Replenishment Conference in Lyon, where we successfully raised \$14 billion, more than the Global Fund has ever raised before. This milestone is the culmination of many months of work, a testimony to the Global Fund's outstanding record of delivering results and a demonstration of the strength of this extraordinary partnership. Most important, our success in raising \$14 billion gives us the ability to change the trajectory on HIV, TB and malaria and accelerate progress towards SDG3. We told the world we needed more financial resources to get back on track toward ending the epidemics, and our donors responded impressively. Now it is up to all of us to turn our campaign hashtag #StepUpTheFight into reality.

This is both an extraordinarily exciting opportunity and a daunting responsibility. We owe it to our donors, and the taxpayers behind them, to use the money to maximum effect. Even more, we owe it to those affected by and vulnerable to the diseases to seize this opportunity to achieve a step change in mortality and infection rates.

When we meet in 2022 to celebrate the 20th anniversary of the Global Fund, and even more, when we - or our successors - gather in 2030 to take stock of what we have achieved against the 2030 Agenda, how will we look back on this moment? Will we feel pride at the way we collectively grasped the opportunity? Will we have fulfilled [*our promise to today's 7 year olds*](#), those who will be 18 in 2030, that the world they'll be taking on as newly minted adults, will be a world free of HIV, TB and malaria?



I don't pretend for a moment that \$14 billion is enough to sweep away all our challenges. Our Investment Case made clear that \$14 billion was the minimum we needed to get back on track, and we also need an even more significant increase in domestic resource mobilization. But \$14 billion is more than we have ever raised, and the confidence and common purpose that enabled us to raise this sum is stronger than ever, so we must harness these resources and this energy to full effect.

I have now been in this role for 20 months. I've faced an immensely steep learning curve, rode a roller-coaster of good news and bad, and been sometimes bewildered by the byzantine dynamics of global health. Yet I have also been tremendously inspired. By the courage and determination of those directly affected by the diseases to fight for their rights, as Connie Mudenda from Zambia put it in Lyon "to take luck out of the equation and instead put justice in its place". By the dedication and skills of front-line health workers who put their heart and soul into caring for their communities. By the passion and common purpose of this Board and the broader Global Fund partnership. I thank all of you for your personal contributions and look forward to working with you all as we step up the fight.

In this report I take stock of what we've achieved in 2019 and set out my initial thinking on priorities for 2020. Mindful of the blizzard of paper hitting Board Members, I have strived to keep this relatively brief, referring to other documents such as the recently published [Results Report 2019](#) without repeating their messages, and not attempting to cover every topic.

The report has three parts: 1: Our Progress Against 2019 Priorities; 2: Priorities for 2020 and Beyond; and 3: Concluding Observations.

1. Our Progress Against 2019 Priorities

This time last year I set out five priorities for 2019:

- i) Supporting a successful Sixth Replenishment
- ii) Driving impact from the current grant cycle
- iii) Preparing for the next cycle of grants
- iv) Enhancing efficiency and effectiveness
- v) Investing in people

i) Supporting a successful Sixth Replenishment

At the end of the Sixth Replenishment Conference on 10 October in Lyon we announced that we had secured pledges for \$14.02 billion and had thus met our target of “at least \$14 billion”. This is the largest amount the Global Fund has ever raised. It is also the largest amount ever pledged in an international fund raising for global health.

Our success in attaining our target can be attributed to a number of factors, of which I would highlight five:

- 1) **Our track record of delivering results.** The fact that the Global Fund partnership is a proven and highly effective mechanism for translating financial resources into health outcomes at scale was the single most important factor determining the success of the replenishment campaign. Donors know their money will be put to good use.

This might seem self-evident, but it is also fundamental. As we look forward we must be acutely aware that the starting point for the next replenishment will be the results we've delivered with the money we've just raised. Having secured a significant increase in financial support, we must deliver much more than proportional impact.

- 2) **A robust investment case and an ambitious but achievable target.** The [Sixth Replenishment Investment Case](#) made a compelling argument that to achieve the SDG3 objective of ending the epidemics of HIV, TB and malaria by 2030, we had to step up the fight, with more financial resources, more innovation, better collaboration, and more rigorous data-driven implementation. It also set out how a well-funded Global Fund could turbocharge progress towards the wider goals of SDG3.

The *Investment Case* set out clearly the logic for our target of “at least \$14 billion”. We met remarkably little challenge from donors about this target. No one argued that we could get back on track with less than this sum. As a 15% increase on the Fifth Replenishment pledge total of \$12.2 billion the target of “at least \$14 billion” also struck a good balance between being ambitious and achievable. I reckon that if we had set a \$13 billion target we would have raised \$13 billion; and that if we had set a \$15 billion target we may also have raised \$13 billion, as donors would have dismissed the target as unachievable.

- 3) Intense mobilisation of the whole Global Fund partnership throughout the campaign.** To an extent I found truly inspiring, everyone involved in the Global Fund partnership worked together as passionate and determined advocates. Whether it was the communities living with or having survived HIV, TB and malaria, India's hosting the Preparatory meeting, the Friends organisations, the GFAN network, other civil society organisations, implementing country Heads of State, parliamentarians, technical partners, celebrity champions, Global Fund board members past and present – we had fantastic, sustained support, united by a common purpose and working together with a remarkable degree of coordination.

So many gave so much of themselves, but I think our most compelling advocates were our speakers from affected communities. Courageous, articulate and impassioned, people like Connie Mudenda, Abhina Aher and Amanda Dushime told their stories boldly and honestly, and spoke truth to power.



President Macron and Amanda Dushime at the 6th Replenishment Conference, 10 October 2019

- 4) Superb support from France and from President Macron himself.** As soon as France agreed to host the Replenishment Conference, the French diplomatic system swung into action. Galvanised by Stephanie Seydoux, ambassadors lobbied donors, hosted events and supported us around the world. President Macron made the Global Fund's Replenishment a key deliverable of France's G7 Presidency. He also proved unstoppable on the day, electrifying the conference with his opening speech and determinedly pursuing donors until we hit the target. His last-minute decision to add a further \$60 million (matched by Bill Gates) was crucial to closing the final gap and took France's increase in pledge to 20%.
- 5) A well-designed and well-executed campaign.** The Replenishment team, led by Françoise Vanni, did a brilliant job in mobilising the partnership, demonstrating meticulous attention to detail, creative flair, intense teamwork, and sheer determination.

Ultimately, it was the donors who drove the success of the replenishment. Many public donors – including most of our biggest – met or exceeded the 15% average increase we needed to hit the target; a number increased their commitment by more than 100%.

The final result of \$14.02 billion wasn't the only record. We had 58 public donors, with 21 new or returning, including the UAE for the first time at €50 million, and Spain, for the first time since 2007 at €100 million. Private sector pledges hit \$1.04 billion, above the target of \$1 billion, with 16 in total, and 8 new or returning, including the Children's Investment Fund Foundation at \$25 million, and the Rockefeller Foundation at \$15 million, plus 11 new private sector partners pledging in-kind contributions and co-investment opportunities. The full list of donors and their pledges can be found in the Board paper, *Resource Mobilization and Replenishment*.

10 October 2019 was a great day for the fight against HIV, TB and malaria. It was also a great day for global health, generating a momentum and sense of common purpose that I am confident will benefit the upcoming replenishments of the Global Polio Eradication Initiative and Gavi, the Vaccine Alliance. Even more broadly, it was a powerful signal that despite all the geopolitical tension, cynicism and nationalism, the world can come together to tackle common problems, address the plight of the poorest and most vulnerable and make the world a better place.

ii) Driving impact from the current grant cycle

We are now 22 months through the current three-year grant cycle, so most programs are at maximum intensity. For much of the Secretariat, and particularly Grant Management Division, ensuring we maximize absorption and impact from the current grant cycle has been the primary focus of their energies all year. Supporting countries in implementing programs, working closely with CCMs, unblocking obstacles, controlling disbursements, reprogramming, coordinating with partners and identifying and resolving delivery risks, is the operational core of the Secretariat's activities, and while perhaps less visible to the Board than issues around strategy and policy, risk and audit, or the replenishment, consumes over 60% of our operating expenses.

Consistent with our mandate and partnership model, the principal way we measure our impact is through national results in terms of lives saved and reductions in infections across the three diseases. National results are not delivered solely by Global Fund funded programs. They include the impact of programs financed by key bilateral partners, such as PEPFAR, other multilaterals, such as the World Bank, implementer governments themselves, civil society and the private sector. This is the basis on which we assess whether we as a partnership are winning the fight against the three epidemics.

Our most recent *Results Report*, published in September 2019, shows both the extraordinary impact the Global Fund partnership as a whole is having, and the scale of the challenges we must surmount to beat the epidemics. The cumulative total of lives saved, 32 million by the end of 2018, represents a 5 million increase on a year earlier, and translates into an astonishing 15,000 lives saved every day.

The numbers in the *Results Report* largely date from 2018 (and many from 2017 – underlining the need to accelerate the data cycle), so they are not a measure of what we've achieved this year, but the report's accompanying description of what's going well and where we face challenges largely holds true.

I will not repeat this assessment of the state of the fight here. Even fuller recent analyses of where as a partnership we are making good progress and where we are falling short can be found in reports like [UNAIDS Data 2019](#), the [Lancet Commission on malaria eradication](#), and the [WHO's Global tuberculosis report 2019](#). Focusing on the challenges, some high-level themes are evident:

- Across all three diseases **we continue to make better progress on reducing mortality than on reducing incidence**. Saving lives is essential, but to end the epidemics, and thus save countless future lives, we also have to scale up effective prevention.

- Across all three diseases antimicrobial **resistance poses an increasing challenge**. In HIV, we see resistance to first-line ARV treatments. In TB, MDR-TB poses a huge threat. With malaria, we face the challenge of mosquito resistance to pyrethroid-based insecticides, plus the threat of parasitological resistance to artemisinin-based treatments.
- Across all three diseases, **we are making slower progress on the underlying policy and socio-economic determinants of the epidemics** than on factors more directly amenable to bio-medical interventions. We won't end the epidemics without tackling human-rights related barriers to health and deep-rooted gender inequalities. We won't end the epidemics without being more responsive to the needs of key populations, including sex workers, MSM, transgender, people who inject, prisoners and refugees and displaced people. Nor we will end the epidemics without addressing policy failures, including over-reliance on user fees, poor control of drug quality and failure to integrate community and private sector providers in the delivery of public health objectives.
- **Progress towards delivering more people-centred care, and in reinforcing the underlying systems for health, is uneven**. While there are some great examples of integrated care programs, and despite significant progress on strengthening key components of health systems in many countries – for example, supply chain, health management information systems – silos still abound, and system weaknesses undermine impact. For example, inadequate focus on and investment in community-led approaches in some countries weakens effective outreach to key and vulnerable populations. The challenge is how to take a more integrated, systemic and inclusive approach to programming, without introducing overwhelming complexity, or losing the laser-like focus on outcomes for people that underpin our success.
- **Varying levels of political leadership, and thus commitment to domestic resource mobilisation and required policy changes**, create challenges around governance, program impact, sustainability and transition. Where political leaders prioritise health and are prepared to lead from the front and take tough decision, the Global Fund partnership can enable transformative and sustained impact. Where political leadership is lacking, we can still save lives and make progress against the epidemics, but the systemic impact is less, and sustainability more fragile. Conflict, corruption, and human capacity and governance constraints, pose acute challenges in the weakest countries.

I discuss how we should respond to these challenges later in the subsequent section on priorities for 2020.

Looking more specifically at indices of the quality of Global Fund financed grants in the current cycle, the trends are broadly encouraging. For example, the [Technical Review Panel's Observations on the 2017-2019 Allocation Cycle](#) noted the general improvement in funding requests, highlighting more integration with National Strategic Plans, better adherence to normative guidance, improved use of epidemiological and programmatic data, increasing identification of health systems issues and greater attention to financial and programmatic sustainability. More broadly, our investments are focused on the countries with greatest need (KPI 3), we are meeting targets for countries to collect age and gender disaggregated data (KPI 6e), and service delivery targets under KPI 2 generally show good alignment between national targets and overall strategy targets.

From a financial perspective, \$10.3 billion of country allocation funds have been transformed into 313 grants, with \$310 million matching funds integrated into 74 of these country grants, plus \$254 million into 16 multi-country grants. In addition, \$172 million has been allocated to 16 Strategic Initiatives.

The latest forecast for allocation utilisation for the Fifth Replenishment is 91%, just above the target of 90%. As is usual at this point of the cycle, some instances of significant under-absorption are occurring, often caused by reductions in commodity prices, government changes leading to delayed decision-making, gaps in implementation capacity, or shifts in other donor priorities. We are systematically tracking such issues and making targeted interventions. In-country reprogramming has enabled the funding of \$875 million of Unfunded Quality Demand (UQD). Portfolio Optimisation of \$504 million,

plus another \$150 million approved at the last Audit & Finance Committee (AFC) will fund another \$654 million of UQD.

iii) Preparing for the next cycle of grants

In parallel to maximising the impact of the current cycle of grants, we have been working hard to prepare for the next cycle of grants, including improvements to the grant application and grant-making processes, determination of catalytic funding priorities and refinements to the allocation methodology and qualitative adjustment process. We are also working intensively with partners to reinforce our approach and planning in multiple areas, such as the *RSSH Roadmap*, or the response to the Office of the Inspector General’s advisory report, *Grant Implementation in West & Central Africa*. Here I briefly discuss the improvements in process and overall approach, leaving the work on specific priorities to the subsequent section Priorities for 2020 and Beyond.

Working with technical partners and the TRP, the Secretariat has invested significant effort in redesigning end-to-end grant processes. As a result, we are introducing the Refined Application Process, with simpler documentation, clearer guidance, and greater differentiation. To help CCMs develop high quality funding applications, we recently published a wide range of updated information notes and technical briefs. The processes for grant development and grant-making have also been significantly revised to: remove unnecessary complexity; bring forward key aspects of implementation planning such as identification of sub-recipients; minimize issues arising from the transition from one grant to the next; and identify grants requiring extra support. We are also revising our Grant Rating Methodology to delineate more clearly overall programmatic performance from individual grant performance, and to align with our risk management framework.

Following a review by the Strategy Committee (SC), drawing on input from technical partners, the Board approved a revised Country Allocation Methodology in May 2019. This incorporated some minor technical adjustments into a set of algorithms which were largely perceived to be working well in focusing Global Fund resources on countries with the greatest disease burden and least financial capacity. The approach to Qualitative Adjustments was approved by the subsequent SC meeting in July. In the Board paper, *Sources and Uses of Funds for the 2020-2022 Allocation Period*, the AFC is recommending an overall country allocation of \$12.71 billion, a 23% increase on the country allocation in the current cycle.

Recommended Sources of Funds for Allocation in 2020-2022

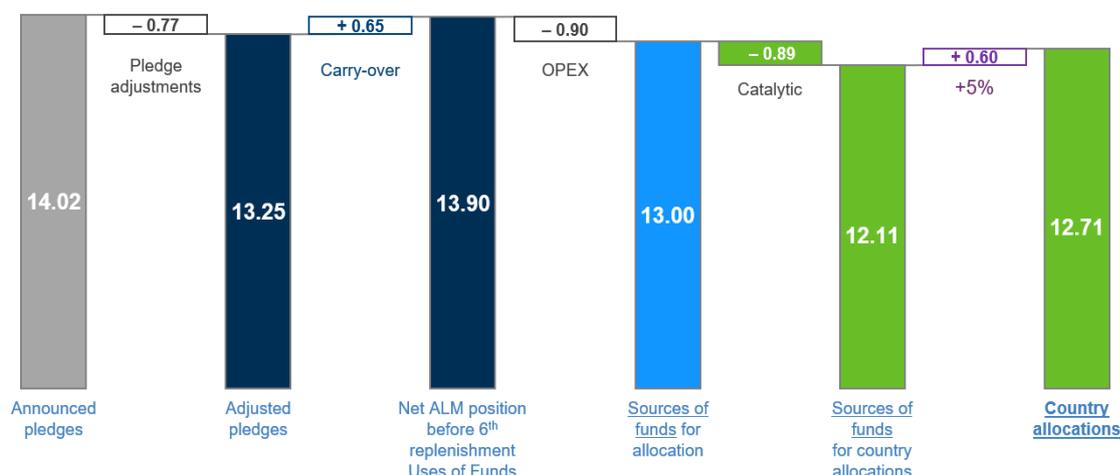


Figure 1: Recommended Sources of funds for allocation in the 2020-2022 allocation period (\$ billions)

In May 2019 the Board also approved the approach to determining the overall allocation to Catalytic Funding and decided on the portfolio of Matching Funds and Strategic Investments to be funded. This is a significant step forward: delayed decision-making on catalytic investment for the Fifth Replenishment period, contributed to suboptimal integration with country grants, and lower rates of absorption. As set out in the separate paper to the Board, the AFC is recommending a Catalytic Funding total of \$890 million.

Catalytic Investments for the Next Grant Cycle

Priority	Illustrative Modality	Cost (\$M)
HIV		\$201
Adolescent Girls and Young Women	Matching Funds	\$56
Scaling Up Community-Led Key Population Programs for Sustainable Impact	Matching Funds	\$50
Key Populations and Sustainability Multi-Country Approaches	Multi-Country	\$50
Differentiated HIV Service Delivery	Strategic Initiative	\$15
TB Preventive Treatment for PLHIV	Strategic Initiative	\$15
Condom Programming	Strategic Initiative	\$15
TB		\$204
Finding Missing People with TB, including Drug-Resistant TB and Preventive Treatment	Matching Funds	\$150
Targeted Technical Assistance for Innovative Approaches to Finding Missing People with TB	Strategic Initiative	\$14
TB Multi-Country Approaches	Multi-Country	\$40
Malaria		\$216
Addressing Drug Resistance in the Greater Mekong Sub-region	Multi-Country	\$120
Addressing Insecticide Resistance through Accelerated Introduction of New Nets	Strategic Initiative	\$50
Malaria Elimination in Southern Africa	Multi-Country	\$20
Regional Coordination and Targeted Technical Assistance for Implementation and Elimination	Strategic Initiative	\$10
Malaria E-2025 Initiative	Strategic Initiative	\$8
Malaria RTS,S/AS01 Vaccine	Strategic Initiative	\$8
RSSH & Cross-cutting		\$269
Data	Strategic Initiative	\$35
Community, Rights and Gender	Strategic Initiative	\$16
Human Rights	Matching Funds + Strategic Initiative	\$46
Emergency Fund	Strategic Initiative	\$20
TERG Independent Evaluation	Strategic Initiative	\$22
Sustainability, Transition and Efficiency	Strategic Initiative	\$18
PSM Transformation (Continuation of PSM Diagnostics)	Strategic Initiative	\$20
Service Delivery Innovations	Strategic Initiative	\$47
Accelerated Introduction of Innovations	Strategic Initiative	\$10
CCM Evolution	Strategic Initiative	\$15
Innovative Finance	Strategic Initiative	\$20
Total		\$890

Figure 2: Catalytic investments for the next grant cycle (\$ millions)

To ensure even more effective collaboration with partners for the next grant cycle, we have invested significant time and effort in both the *Global Action Plan for Healthy Lives and Wellbeing for All*, the WHO-led initiative to reinforce coordination and cooperation amongst the 12 key multilaterals involved in global health, and in deepening strategic and operational coordination with key bilateral partners.

Marijke Wijnroks led our contributions to the Global Action Plan and to the underlying accelerators, including the *Sustainable Finance Accelerator* and the *Civil Society and Community Engagement Accelerator*. To translate the commitments of the *Sustainable Finance Accelerator* into operational reality we continue to deepen our relationships with the key multilateral partners involved in health financing. For example, last month we signed a new Framework Agreement with the World Bank, establishing a consistent basis for joint transactions, replacing the current costly case-by-case approach.

On the bilateral front, I would highlight the intensification of data-sharing and joint planning with PEPFAR and the U.S. President's Malaria Initiative (PMI), plus the development of a Framework Agreement with Agence française de développement (AFD), which will be signed when I accompany President Macron on a visit to Côte d'Ivoire in December.

To prepare a stronger platform for the next cycle of grants, the Secretariat is building upon insight and guidance from three other important developments during the year: the *RSSH Roadmap*, the OIG's advisory report, *Grant Implementation in West & Central Africa*, and *CCM Evolution*.

- The *RSSH Roadmap* emerged from complementary efforts by TRP, TERG and the Secretariat examining how to enhance our impact in building resilient and sustainable systems for health. It provides a framework for setting priorities for the next cycle in this arena.
- OIG's advisory report on *Grant implementation in West & Central Africa* provided an excellent diagnosis of the challenges faced in achieving impact in the countries in this region, many of which are characterised as Challenging Operating Environments. Working with the countries' governments, the Board constituencies and other stakeholders, the Secretariat is now conducting 17 individual country reviews to identify specific actions that can be taken to increase absorption and impact in the next cycle, through better stakeholder collaboration, enhanced in-country program and grant management, more explicit balancing of fiduciary and programmatic risks and stronger domestic political leadership and financing, plus a peer review mechanism.
- While it is still early days, the CCM Evolution pilot is demonstrating that targeted support can lift CCM performance, improving engagement of communities, reinforcing linkages and alignment with national bodies and priorities, strengthening oversight. Further development and expansion of CCM Evolution will be funded through the new Strategic Initiative.

iv) **Enhancing efficiency and effectiveness**

During 2019, the Secretariat has continued to make advances in improving its efficiency and effectiveness. Key achievements from this perspective include:

- **Tight control of operating expenses.** Our latest forecast suggests total expenditure for 2019 of \$295 million well under the Board approved budget of \$302 million.
- **Significant restructuring and reconfiguration** of several parts of the Secretariat to deliver great impact and save costs. Specifically:
 - o Following the merger of the Supply Chain and Procurement Departments to create an integrated **Supply Operations** team under the leadership of Philippe François, we have embarked on an ambitious strategy to enhance our end-to-end impact: from stimulating product innovation and market shaping, through enhancing procurement efficiency and access, all the way to delivery to the health workers and people who need the products. This has required significant reconfiguration and reskilling of the function, including creating a customer services team to improve support to Principal Recipients.
 - o Under Mike Johnson's leadership, the **Information & Technology Department** has been restructured, transforming the team from a "back office" focus to being more directly involved in delivering the Global Fund's mandate.
 - o **Program Finance & Controlling** has undergone a significant reconfiguration, involving changes to 40% of positions within the department, to enable greater efficiency and alignment to country teams.
 - o **Community, Rights and Gender** is in the process of implementing "CRG Accelerate", a set of changes designed to enhance alignment and effectiveness in working with country teams, and ensure better integration of issues related to communities, human rights and gender through the grant cycle.

- Combining Legal and Board Affairs into a new **Legal and Governance** department will allow us to leverage maximum value from these functions. This will take effect from January 2020.
- **Successful delivery of product affordability and availability objectives.** Supply Operations are on track to exceed the KPI 12b target of \$115m savings and the KPI 6b target for On Shelf Availability. Moreover, the TERG review of our Market Shaping Strategy confirmed the effectiveness of our procurement activities while identifying significant further opportunities for investment and impact.
- **Successful delivery of several critical technology projects**
 - In May 2019, we launched “DnA” a set of comprehensive dashboards on grant and country performance that enable country teams and others across the Secretariat to get the information they need swiftly and reliably.
 - In April 2019, we launched Data Explorer, a data visualisation resource on our website, to enable all stakeholders public access to our data and information.
 - Throughout the year we have continued to develop and expand IT shared services for the Global Health Campus community.
 - During October 2019, we transitioned to a new mobile service provider, Sunrise, with 46% savings over equivalent use on the previous contract and improved management of administrative and user services.
 - Throughout the year we have taken significant steps to reinforce cyber security with the objective of achieving ISO certification in November 2019.
- **Continued progress towards embedded status for risk management.** The Secretariat has operationalised risk appetite following the Board decision, using the framework to inform decision-making on risk trade-offs and risk acceptance, and to catalyse continued improvements in risk identification, measurement, monitoring and mitigation. OIG will be assessing whether the Global Fund has achieved embedded status by end 2019 against criteria agreed with the Secretariat and AFC. Reaching embedded status would be an important milestone in the Global Fund’s journey on risk management and control.
- **Development and launch of a comprehensive Performance and Accountability (P&A) Framework.** P&A provides a comprehensive depiction of all the Secretariat’s key business processes, along with metrics, interdependencies and accountabilities. The result of many months of work across the organisation, P&A is a critical tool in managing the Secretariat for greater efficiency and effectiveness.

Performance & Accountability: Business Process Model

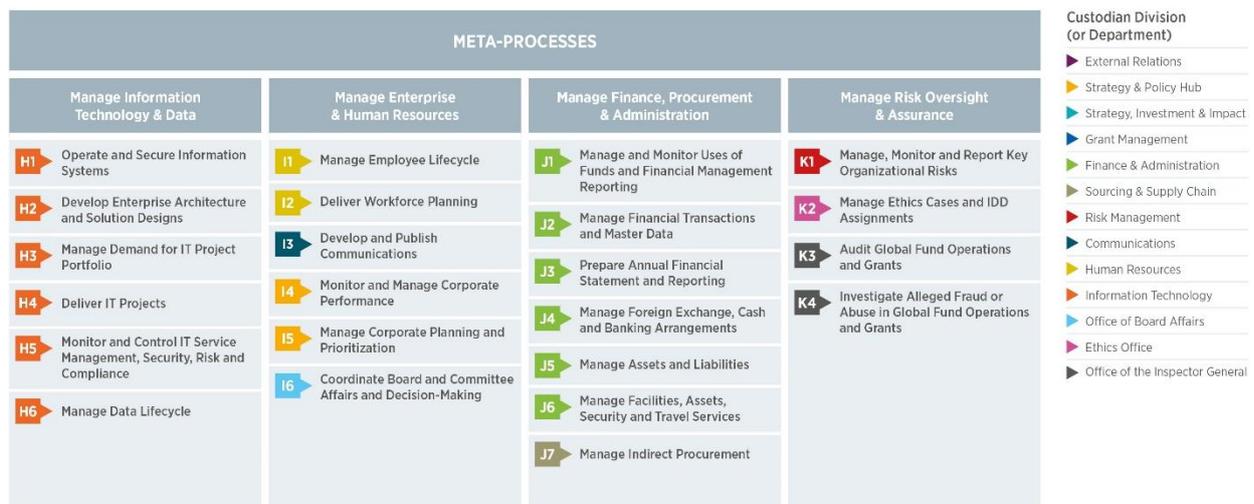
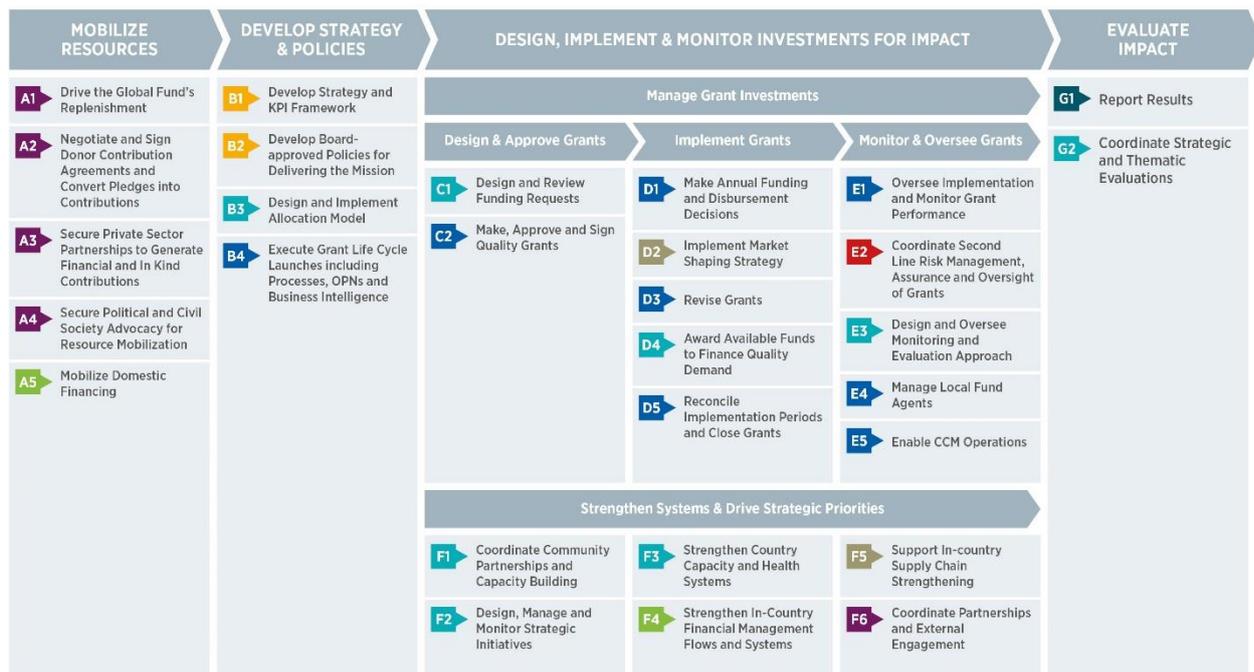


Figure 3: Performance & Accountability: Business Process Model

v) Investing in people

The ability of the Secretariat to perform its role is a direct function of the quality and engagement of our people, and how well we work together as a team.

- We have acted to enhance the alignment of our **rewards and benefits** structure to our mission. In February 2019 the AFC approved the recommendations of the Total Rewards Review and in July, the first wave of changes was successfully implemented. This review is the most comprehensive assessment of our rewards and benefits structure ever undertaken, and implementation of the changes over the next few years will deliver significant benefits in terms of efficiency, competitiveness and agility.

- We have committed to **increasing investment in our leaders** to enhance their individual and collective performance. In May 2019, we launched Elevate, a two-year leadership development program for our top 180 managers.
- As part of our broader **drive to enhance gender equality** we sought and gained Equal Salary Certification in September 2019, an important milestone. A separate gender assessment of our Human Resources policies confirmed their neutrality and provided several recommendations to further enhance gender equality.
- We have continued to take action to **prevent and combat bullying and all forms of harassment**, including sexual harassment.
- We have begun to build a more systematic **Strategic Workforce Planning** approach to underpin budget, recruitment and talent development decisions.

We still have much to do to strengthen the way we manage our people and work together as a team. While the Engagement Survey conducted in February 2019 confirmed very high levels of engagement (at 85%), it also highlighted ongoing concerns around internal communications, workload, performance management and career progression. Such concerns are not surprising given the scale and pace of changes across the organization and the intense delivery pressure, yet we must not be complacent. Management Executive Committee (MEC) is implementing a range of actions in response, including enhanced communications about MEC meetings.

2. Priorities for 2020 and Beyond

Looking ahead to 2020, we have set 6 priorities for the Secretariat:

- i) Actively support countries to develop high impact grants for the next 3-year period
- ii) Drive impact from current grants in their final stage
- iii) Begin planning and consultations for the next Global Fund Strategy
- iv) Reinforce capabilities and impact on key strategic priorities
- v) Improve efficiency and effectiveness
- vi) Invest in people

i) **Actively support countries to develop high impact grants for the next 3-year period**

In 2020, the top priority for the Secretariat, CCMs, our technical and bilateral partners, and the entire Global Fund community must be to ensure we translate the unprecedented financial resources we have now secured into grant programming that will deliver maximum impact. In *Sources and Uses of Funds for the 2020-2022 Allocation Period* we propose an increase in overall country allocations of 23 to \$12.71 billion and an increase of catalytic funding by 11.3% to \$890 million. We must seize this opportunity presented by this increase in resources to achieve a step-change in trajectory across the three diseases and in the pace of overall progress toward SDG3.

This means much more than simply scaling up existing initiatives. We must work out where we should do things radically differently, where it makes sense to concentrate the incremental resources rather than spread them widely, and where we will need to increase investments in health systems to enable investments to be absorbed successfully. Moreover, we have to move swiftly. To ensure seamless transition from the current grant cycle, over 70% of these funds will need to be approved by the Board and committed to grants before the end of 2020.

As is made clear in the *2020 Work Plan and Budget Narrative*, we have prioritised funding “surge” resources in our operating expenses budget for 2020, so as to ensure the Secretariat is able to support

the grant development and grant making processes. Yet we need the whole Global Fund partnership to step up, particularly technical partners, CCMs and bilateral technical assistance providers. We have already engaged technical partners, including WHO, UNAIDS, Stop TB and RBM to determine overall priorities for the new grant cycle, but we also need all of them intensively involved in supporting individual countries in country dialogue and grant development. CCMs will play the central role in determining national priorities and translating them into funding applications, so we need them geared up and focused on the task. Technical assistance providers, particularly those funded through set-asides from Global Fund pledges, need to be putting resources in places to support CCMs now, especially in the more capacity-constrained environments. We are engaging with such partners (including PEPFAR, AFD, DFID, GIZ) to seek greater coordination of such support to ensure alignment, minimise duplication and cover gaps.

There isn't space in this report to describe in detail the priorities for the next grant cycle, let alone how they vary by country setting or disease burden. Yet to spark discussion I offer some personal observations on themes I think we need to focus on, starting with the three diseases:

HIV

By the end of the next grant cycle, we will want to see not just further significant reductions in the number of lives lost to HIV, but a sharp reduction in new infection rates, particularly among adolescent girls and young women (AGYW) and key populations. To step up the fight against HIV, key priorities will therefore include:

- **Significantly scaling-up and strengthening prevention programs for AGYW.** While we have achieved a 20% reduction in infection rates since 2015 we are not on track to hit our target of a 58% reduction in infection rates in the 13 most affected countries by 2022. This will entail intense collaboration with countries, PEPFAR and civil society and community partners, including meaningful engagement of AGYW themselves in the design and monitoring of programs. Beyond sexual and reproductive health programs and comprehensive sexuality education, it will require us to be bold in tackling the underlying gender inequalities that make AGYW so vulnerable to infection, including gender-based violence, educational disadvantage and economic disempowerment.
- **Scaling-up and reinforcing comprehensive programs for key populations with a focus on prevention.** This will entail even greater emphasis on community-led differentiated service delivery, including the strengthening of community systems and data, and further expansion of the action we've been taking on tackling human rights-related barriers to health through the *Breaking Down Barriers* initiative.
- **Achieving a step-change in the effectiveness and scale of prevention programming for men in high burden settings,** including better condom programming, Voluntary Medical Male Circumcision (VMMC) and PrEP programs, and collaborating with partners through the Global HIV Prevention Group and the MenStar Coalition.
- **Implementing a strategic mix of differentiated HIV testing approaches,** including self-testing and partner notification, index testing and community-based testing, tailored to the needs of different communities, to enhance coverage, yield, and enrolment into treatment and prevention services.
- **Further enhancing differentiated ART delivery** for children, adolescents and adults, as well as key populations living with HIV, to maximise service quality, retention and viral suppression.
- **Integrating TB preventative treatment (TPT) at scale** in countries with high TB/HIV co-infection rates.

- **Accelerating adoption of optimal ARV regimens**, including elimination of nevirapine (NVP) and the switch from tenofovir/lamivudine/efavirenz (TLE) to tenofovir/lamivudine/dolutegravir (TLD).

HIV Incidence Reduction (AGYW) from 2015-2018 by Country

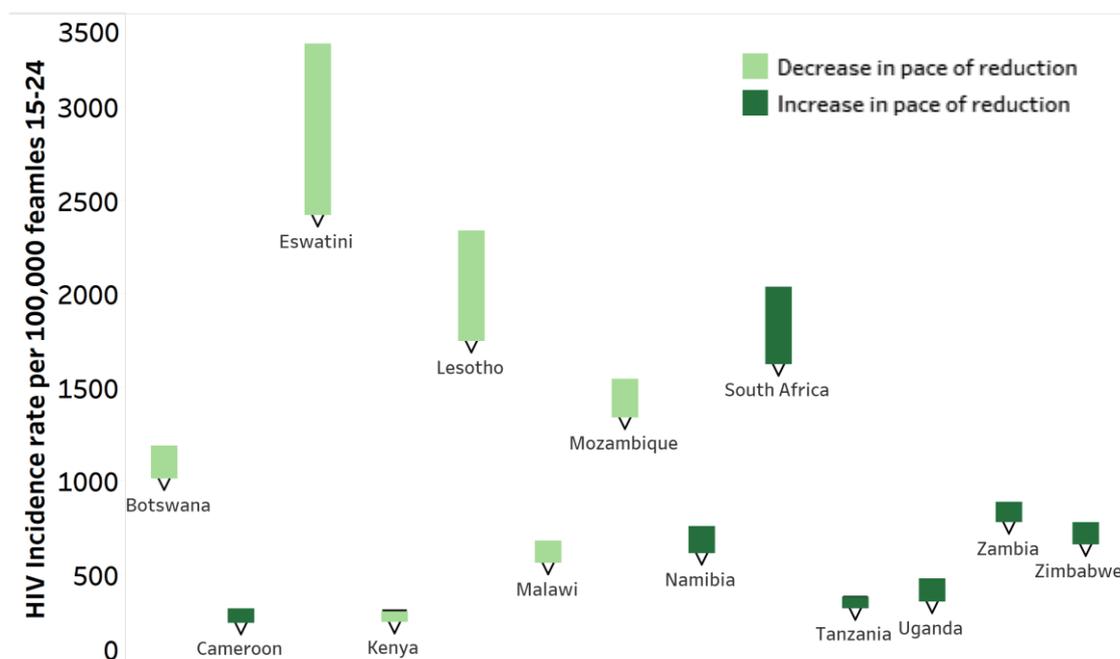


Figure 4: HIV Incidence Reduction in Adolescent Girls and Young Women, by country, 2015-2018

TB

By the end of the next grant cycle, we will want to see a massive reduction in the gap between the numbers of people falling ill with TB and the numbers being diagnosed and treated, building on the progress achieved in this cycle. We will also want to see a significant step-up in the scale and effectiveness of MDR-TB treatment, and much greater deployment of TB preventative treatment. To step up the fight against TB, key priorities will therefore include:

- **Sustaining and accelerating the momentum in finding and treating missing people with TB**, leveraging the new catalytic funding to build on what has already been achieved in this grant cycle. This will entail:
 - o Ensuring lessons from the most successful programs (e.g., on engaging private sector providers and communities) are utilised elsewhere.
 - o Improving the quality of TB interventions, including the deployment of sophisticated data analytics to identify and target “hot spots” of missing people.
 - o Engaging communities more effectively in identifying missing people (including among key populations in the context of TB) and in supporting them to complete treatment and achieve cure.
 - o Tackling human rights-related barriers to accessing health services, including stigma, discrimination and criminalization.

- Identifying and addressing gender-related barriers to diagnosis and treatment.
- **Scaling up and strengthening of diagnosis and treatment of MDR-TB** including:
 - Accelerating development and transition to more effective, shorter, all oral, and less toxic treatment regimens and strengthening quality of treatment programs.
 - Improving diagnosis including continued rollout of molecular diagnostic tools and optimize utilization and use of digital technologies.
- **Scaling provision of preventative treatment**, including the new shorter combination drugs for people with latent TB, particularly vulnerable groups such as people living with HIV and children.

TB Notifications & Notification Gap: Group of 13 Countries - 2000-2018

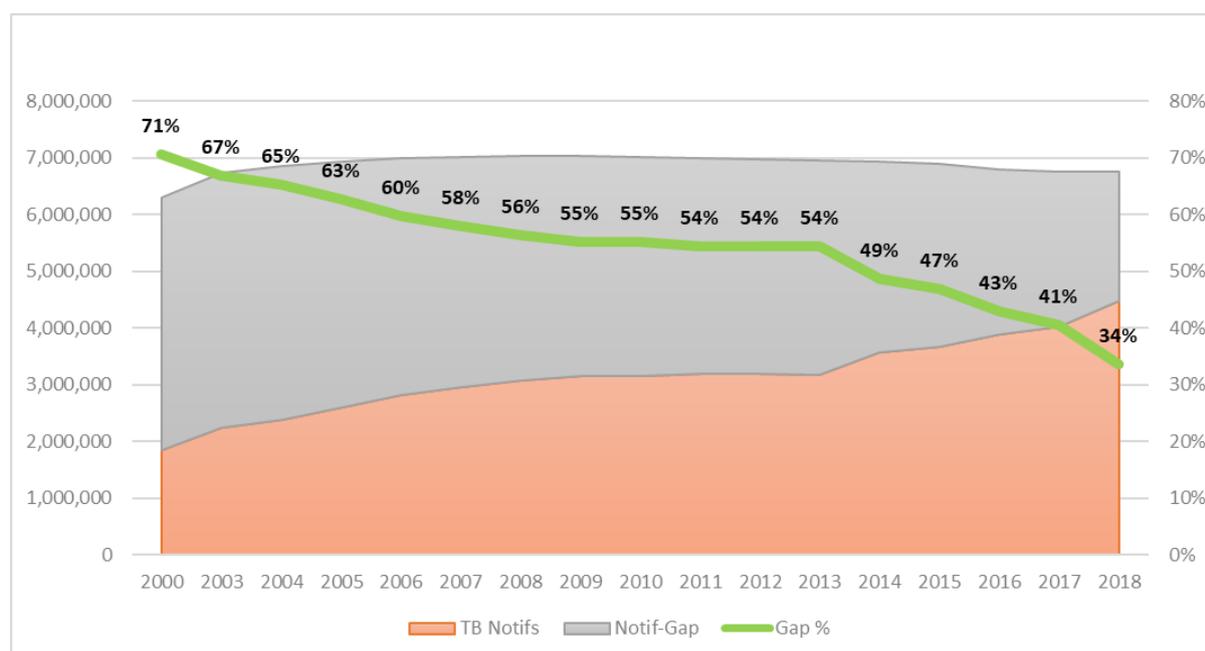


Figure 5: TB notifications and notification gap in 13 Global Fund Strategic Initiative countries (2000-2018)

Malaria

By the end of the next grant cycle we will want to see additional countries successfully eliminate malaria, and, even more, we will want to have reversed the current trend of increasing cases in the highest burden regions to put such countries on a pathway towards elimination. To step up the fight against malaria, key priorities will include:

- **Accelerating coverage of effective vector control**, including rapid introduction of PBO/dual-insecticide nets, indoor residual spraying, and other tools when available, to protect people and, where possible, break the transmission cycle.
- **Expanding access to quality basic healthcare** through community-based health workers to ensure rapid diagnosis and treatment, and preventative treatment (e.g., seasonal malaria chemoprevention (SMC) in the Sahel, intermittent preventive treatment in pregnancy (IPTP) where relevant. In countries where private sector providers are significant this will entail mechanisms to engage them more effectively.
- **Enhancing the sophistication of transmission reduction strategies** through stratification and sequential investment, utilising more granular and frequent data.

- **Developing further regional mechanisms**, building on the success of the Regional Artemisinin-resistance Initiative (RAI) and others, to tackle epidemiological zones that cross borders.
- **Responding rapidly to resurgence** and new threats caused by climate change or conflict.
- **Reinforcing community engagement** to improve access and use of LLINs and for rapid screening. This includes working with technical, community and civil society partners to roll out the *Malaria Matchbox* to improve understanding of, and solutions to, the gender and human-rights related barriers and inequities that impede access for currently underserved populations.
- **Supporting countries nearing elimination to cross the line**, including using innovative finance mechanisms to ensure sustained funding and appropriate incentives.

In line with the *Global Fund Strategy 2017-2022* and to deliver on both our disease-specific and broader SDG3 objectives, we will also need to step up the fight in building resilient and sustainable systems for health (RSSH) and promoting and protecting human rights and gender equality.

Malaria Stratification: Tanzania case example

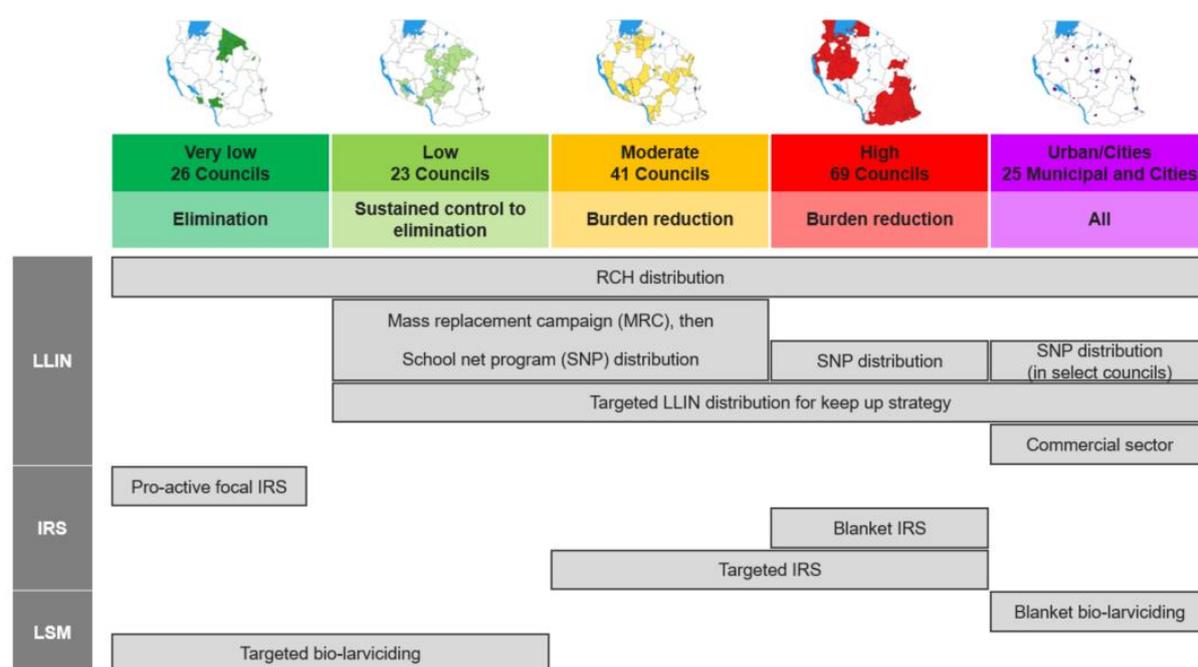


Figure 6: Malaria Stratification: Tanzania case example

RSSH (SO2)

Consistent with the *RSSH Roadmap* I anticipate a significant step up in the scale and quality of our investments in RSSH in the next grant cycle. Building stronger health systems, particularly primary health care and community systems, is critical to achieving our goal of ending the epidemics. RSSH investments help combat the three diseases in multiple ways, including: enhancing impact through systemic solutions (e.g. conditional cash transfers to improve treatment adherence); overcoming health systems constraints (e.g., strengthening supervision to improve health worker performance); and mobilizing the resources of the health system towards the three diseases (e.g. increasing the proportion

of public health centers that provide TB services). Investing in RSSH will also help countries accelerate progress towards the broader goals of SDG3, strengthening their ability to respond to other health issues such as emerging infectious diseases, non-communicable diseases and antibiotic resistance. Key priorities will include:

- Working alongside partners and countries to **ensure Global Fund investments are integrated into robust and well prioritised plans for strengthening systems for health**. In many countries National Strategic Plans will be framed around a Universal Health Coverage ambition, following the commitments made at the United Nations General Assembly 2019.
- Working with partners through the Sustainable Finance Accelerator to **support countries in developing robust health financing strategies**, building on the success of our co-financing policy. Without significant increases in domestic resource mobilisation and continued improvements in the control and efficiency of such spend, we will not achieve our objectives. The *Investment Case* for our replenishment called for a 48% increase in domestic funding for the fight against the three diseases to \$46 billion.
- **Helping countries address immediate supply chain weaknesses and accelerate progress towards creating truly people-centred supply chains**. As laid out in *Sourcing and Supply Chain Update & Market Shaping Strategy Mid-Term Review* we will partner with key bilaterals, governments, civil society and the private sector to develop such people-centric supply chains, enabling segmented distribution channels, increased health product availability and, ideally, the transfer of operational responsibility for warehouses and logistics to local private sector entities to improve quality, cost and deployment of new technologies.
- **Enabling countries to enhance their ability to capture, manage and use data** for better decision-making, building on in-country investments already made in HMIS/DHIS2, and M&E, and leveraging the new Strategic Initiative funding, including partnerships with WHO, UNICEF, University of Oslo, 11 African universities and the Rockefeller Foundation.
- Complementing the work of partners such as WHO, ILO and others to **support countries in improving the performance of health workers to deliver more and better quality care**, so that we are not just paying the salaries of community health workers, lab technicians, etc, but helping health ministries develop career structures, training, certification schemes, etc.
- **Assisting countries in building, equipping and staffing laboratory networks** to facilitate accurate diagnosis and support treatment quality (e.g., through viral load testing) for the three diseases as well as for other health conditions.
- **Raising the profile and increasing investment in community systems for health**, enabling communities to be able to engage, deliver and collaborate more effectively with the rest of the health system. This is critical if the “U” in UHC is going to be truly universal.
- **Encouraging the shift towards people-centred care**, addressing co-infections or other related needs by working with partners to ensure that collectively we deliver more comprehensive care. For example, using HIV prevention programs for AGYW to include HPV vaccines; addressing the mental health needs of HIV positive adolescents; combining SMC provision with vaccination or nutritional support; and integrating non-malaria health commodities as part of integrated community case management approaches.
- **Ensuring our investments in systems for health contribute to reinforcing broader health security**, including actions to combat anti-microbial resistance and strengthen overall disease surveillance capacity.

In supporting countries in building RSSH, two considerations are crucial: first, that we work in coordination with other development partners and within the parameters of nationally-led strategies; and second, that we keep the focus on how such investments translate into outcomes in terms of lives saved and infections/case averted.

Human Rights & Gender Equality (SO3)

I share the concerns some have expressed about whether we are collectively making sufficiently rapid progress on SO3, our ambition to dismantle human rights-related barriers to health and remove gender-based health inequalities. We should clearly seek to step up the pace in the next grant cycle. Yet I also think we need to recognise that what we are seeking to do in both arenas requires ambitious and innovative interventions that go far beyond classic bio-medical interventions, so developing and scaling up such programming is inevitably challenging. Moreover, the changes we are seeking often entail profound shifts in cultural norms, established behaviors, power dynamics, and legislation. These will not be achieved overnight. Moreover, while the Global Fund can act to enable and encourage such changes, ultimately it will be local political and community leadership that determines the pace and extent of change.

On human rights we will build on the successful first phase of the *Breaking Down Barriers* initiative and incorporate the findings from the OIG's forthcoming advisory report on *Removing human rights-related barriers* into the determination of our priorities for 2020. Having increased spending on human rights programming roughly four-fold in the current grant cycle, we anticipate increasing it again in the next grant cycle. We will also be increasing Secretariat resources devoted to this agenda.

On gender equality we will build on current efforts to improve gender-disaggregated data and deliver gender-based interventions to sharpen the gender lens on the fight against HIV, TB and malaria, and scale up and reinforce our gender-differentiated programming. Arguably the key priority here is achieving a rapid reduction in HIV infection rates amongst AGYW. We anticipate a significant scale up in programming against this objective, working closely with communities, key partners such as PEPFAR's DREAMS, and countries themselves, challenging them to develop and fund more ambitious multi-stakeholder strategies with scale and urgency.

Tackling this challenge will also require us to focus more on age-related inequities, with better age-disaggregated data and differentiated programming, particularly for adolescents and young people. We need interventions that utilise social media, using age-appropriate language and relevant influencers, and that are informed by deep understanding of the broader sexual, reproductive, mental and other health needs of the young people most at risk. Building on the success of DREAMS and Her Voice and those CCMs which have included young people, I am keen to find opportunities to amplify the voice of youth in strategic debate and decision-making across the Global Fund partnership. One idea we are actively developing is the creation of a Youth Council to provide insight and ideas to me and the MEC.

More generally, we need to continue to work on strengthening engagement of affected communities across all the Global Fund partnership's processes. A key priority for CCM Evolution is to enable communities and civil societies to be more effectively engaged during NSP development and grant-making, and to strengthen and scale locally developed community-based monitoring approaches.

Sustainability & Transition

As is described in detail in the separate Board paper, *Sustainability, Transition and Co-Financing*, we have made substantial progress in implementing the Sustainability, Transition and Co-financing (STC) policy approved in April 2016, but significant challenges still remain.

Both OIG's 2018 *Transition Management* audit and TERG's 2019 *STC Policy Review* concluded that significant progress had been made, including: embedding the STC policy into Global Fund processes, including TRP and GAC reviews; implementing Transition Readiness Assessments (TRAs); negotiating and monitoring co-financing requirements; operationalisation of innovative finance approaches; expansion of wambo.org on a pilot basis; and implementation of multi-country and Strategic Initiative grants to address specific transition challenges including social contracting for civil society. Co-financing requirements continue to prove highly effective as a catalyst for increased domestic health financing, with an aggregate increase in co-financing commitments of 42% in the current grant cycle, and very high levels of compliance with these commitments.

Looking forward the Secretariat, TRP, TERG and OIG have agreed on a number of priorities for strengthening implementation of the STC policy, including:

- **Broadening the focus from transition preparedness to sustainability planning** for countries with higher disease burdens and much larger country allocations, so as to ensure greater country ownership, more comprehensive integration of plans into NSPs and early identification of issues.
- **Further strengthening the co-financing policy** as a critical part of our overall strategy on health financing, including by setting ambitious requirements, articulating priorities for domestically financed investment, and engaging CCMs more effectively in monitoring compliance.
- **Leveraging grant design** to strengthen integration of Global Fund investments with NSPs, address system weaknesses (as laid out in the *RSSH Roadmap*), improve value for money and address country-specific issues around financing for community-led services for key populations.
- **Enhancing access to affordable, quality-assured health products**, through working with partners, such as Stop TB, UNICEF or PAHO to tackle country-specific issues, and by opening up *wambo.org* to Global Fund partners as proposed in the Board paper, *Evolving the wambo.org pilot for non-Global Fund-financed orders*. I see the opening up of *wambo.org*, including the development of a pre-payment mechanism, as a key component of our overall STC strategy, helping transitioning countries address the frequent challenges they face in securing quality assured products at affordable prices.

ii) Drive impact from current grants in their final stage

While much of the focus will be on the next grant cycle, we also need to ensure we deliver maximum impact and absorption from the current grant cycle, which for most countries comes to an end at the end of 2020. We cannot lose focus on current grant performance since we want to be building momentum as we finish this cycle and transition into the next. Achieving this whilst also developing the new grant cycle will put pressure on Country Teams, CCMs, Principal Recipients and partners. To ensure focus we have already put in place tracking and targeted interventions for the countries most at risk of falling short of budgeted absorption.

iii) Begin planning and consultations for the next Global Fund Strategy

Anticipating the next replenishment in 2022, and planning for the next Global Fund Strategy that will cover the period starting in 2023, we will need to develop and confirm the Strategy no later than November 2021, and ideally have the main Strategy-related decisions taken in May 2021, so it can be fully incorporated into the Investment Case for the Seventh Replenishment. This means we will need to launch the strategy development process in earnest in Q2 2020, with stakeholder consultations in Q3/Q4.

Strategy Development Timeline Overview

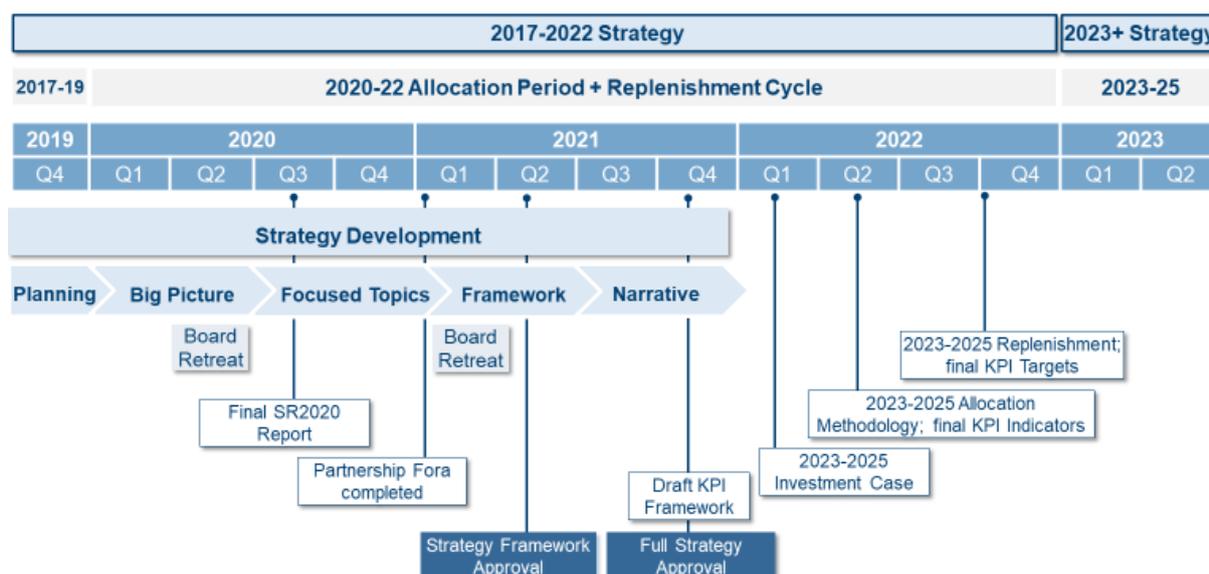


Figure 7: Strategy Development Timeline Overview

TERG's Strategic Review 2020, taking stock of progress and challenges in implementing the *Global Fund Strategy 2017-2022*, will obviously be a key input into our strategic discussions.

In developing the strategy for the next phase of the Global Fund's evolution we will clearly need to frame it within the context of the Sustainable Development Agenda for 2030, including the specific targets of SDG3 and the increasing emphasis on UHC. We also need to reflect on our role and the way we execute it in the context of the WHO-led Global Action Plan for Health and Wellbeing for All.

To support the refresh of the strategy, we have commenced a fundamental review of our framework for monitoring and evaluation (M&E), encompassing the Secretariat's internal M&E activities, independent assurance provided by TERG and OIG's advisory reviews, and external M&E by partners. Following the successful development and implementation of our risk management framework, we need to ensure our M&E framework is equally robust, non-duplicative and provides greater value in enabling the Global Fund partnership to learn and increase impact. We will present findings from this review, which builds on the TERG's own review, to the SC March 2020.

iv) Reinforce capabilities and impact on key strategic priorities

To achieve our objectives of ending the epidemics by 2030 and turbocharging progress towards the overall SDG3 goal of health and wellbeing for all, the Global Fund needs to play a catalytic role beyond simply funding grants. But at the moment there's a significant gap between expectations and what the Secretariat is geared up to deliver in a number of key areas, so on top of funding the "surge" investments to support the new grant cycle we will make modest incremental investments during 2020 to enhance our capabilities in a number of key areas, including supply chain and market shaping, health financing, RSSH, human rights and gender equality and the disease advisory teams.

v) Improve efficiency and effectiveness

The need to fund "surge" capacity for the new grant-making cycle, while also investing in strategic priorities, is creating acute pressure on operating expenses. As you will have seen from the *2020 Workplan and Budget Narrative* and the *2020 Operating Expenses Budget*, we are seeking approval of an operating expenses budget for the Secretariat of \$305 million for 2020, an increase of 1% on the

approved budget for 2019. The AFC have supported this proposal while maintaining the expectation that operating expenses should remain within the established \$900 million cap over the three-year grant cycle, pending review of this cap.

Global Fund Operating Expenses 2002-2018

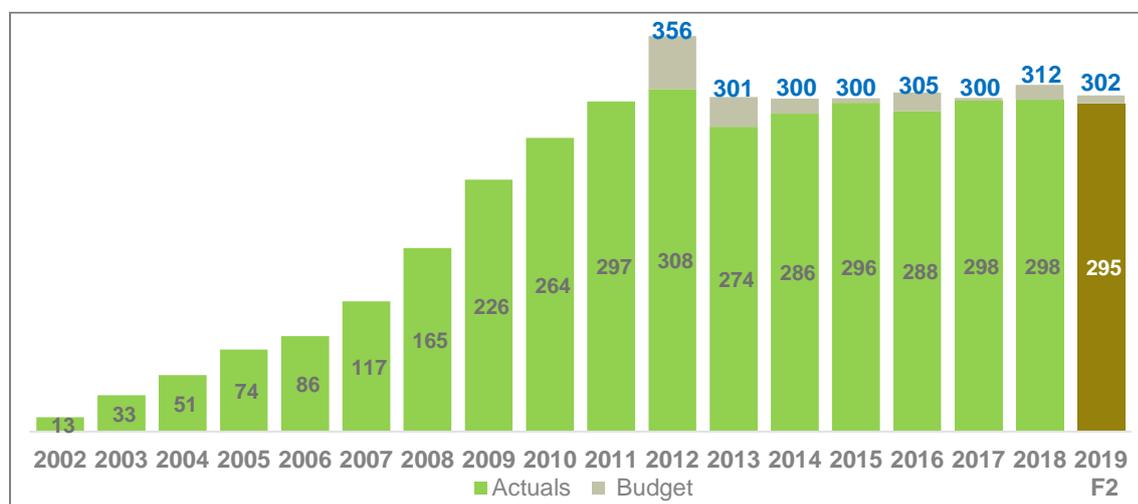


Figure 8: Global Fund Operating Expenses 2002-2019 (\$ millions)

I am supportive of having a three-year cap on operating expenses, since it ensures cost discipline, but the \$900 million figure no longer reflects the reality of what the Secretariat is being asked to do. Four factors drive this conclusion:

- 1) **Significant increase in projected grant volume.** While there isn't a linear relationship between the value of grants and operating expenses, there is a positive relationship, and with country allocations for the next grant cycle being increased by over 23%, we will find it challenging to manage this increased volume with flat resources. Our partnership model means we can draw extensively on the capabilities of others, but we also need to ensure our own core capacities are appropriately resourced. The "surge" investments in our proposed budget provide a partial fix to this problem, but cannot be sustained under a \$900 million cap.
- 2) **Changing mix of grants.** To accelerate our progress in ending the epidemics, the next grant cycle needs to reflect even greater emphasis on prevention, reinforcing systems for health, and the reduction of gender and human-rights related barriers to health. The challenge is that these sorts of grants require more operating expenses per dollar of grant than commodity-based grants.
- 3) **Increasing emphasis on our catalytic role beyond grant-making.** In a number of key strategic areas we are investing to have impact beyond our grants. Examples include our work on human rights, domestic procurement, market shaping and domestic resource mobilization. All these activities take resources, and we risk under-delivering on all of them. We will need to sustain and, in some cases, increase the modest investments we are making in the proposed budget.
- 4) **Limited scope to fund more investments through efficiency savings.** Over the last eight years we have funded significant expansions of scope and capability while maintaining a flat budget. For example, departments like CRG, Risk, Supply Operations, Policy Hub and Ethics didn't exist eight years ago. But as the forthcoming OIG advisory

report *Removing human rights-related barriers to health* illustrates, we are in real danger of spreading ourselves too thin.

We will be returning to the AFC with further analysis of these cost drivers and options for the three-year cap in March.

Focusing specifically on 2020, we will reduce the pace of investment in technology projects to create space for the investment in “surge” resources and strategic priorities, but this will slow our progress in delivering underlying efficiencies. We will also continue to look for opportunities to redesign processes and parts of the organization to deliver greater efficiency and effectiveness, and to achieve synergies through sharing services with other occupants of the Global Health Campus.

vi) Invest in people

The staff of the Global Fund Secretariat are an extraordinary asset: diverse, passionate and equipped with an extraordinary array of skills, they play an irreplaceable role in delivering our mission. Yet as staff themselves recognize, we could do better in terms of performance management, workforce planning, leadership and career development, and in avoiding silos. During 2020 we will therefore:

- Introduce a more effective system of **performance management** by including more frequent check-ins, a more structured approach to collecting and providing feedback, and more objective benchmarks.
- Further develop our approach to **Strategic Workforce Planning**, so that we can assess and address overall workforce needs with a strategic, long-term view, strengthening our overall capabilities and generating cost efficiencies where appropriate.
- Continue to invest in **leadership development** through Elevate.
- Refresh our approach to **internal communications and organizational culture** to reinforce our sense of common mission and collaboration.
- Build our **brand as an employer**, through more systematic and sophisticated recruitment, so that we can draw on talent from a broader array of sectors.

3. Concluding Observations

This is an extraordinarily exciting point in the history of the Global Fund. With unprecedented financial resources, and with incredible energy and commitment across the partnership, we have the opportunity to step up the fight, get back on track towards ending the epidemics, and turbocharge progress towards SDG3. But we will only succeed if we are bold, focused and work together – and act at pace and with urgency.

I am delighted that we are beginning this new phase of our journey under the leadership of Donald Kaberuka, as Chair, and Lady Rosalyn Morauta, as Vice-chair. I am confident that together Donald and Ros will provide the dynamic leadership we need, both in guiding our Board and Committees, and in galvanising our partners.

As we start thinking about refreshing our strategy, we must recognise that the context has changed. In the SDG era there is far more focus on the interdependence between different goals, and the need to build the systems that underpin sustainability. We have already transitioned from the Global Fund’s original mandate of simply saving lives to one of saving lives and ending the epidemics. Now we must be prepared to frame our goals of ending the epidemics of HIV, TB and malaria within the broader agenda of delivering health and well-being for all.

There are opportunities and risks in this evolving context. The opportunities lie in the recognition that ultimately we won't defeat the epidemics unless we help countries build strong systems, particularly for primary health care, and in the way we can collaborate even more closely with our partners, united around a common objective. The Global Action Plan is not a panacea, but it is a significant step forward in getting the multilaterals involved in global health to collaborate more effectively in supporting countries and communities. Equally important are our efforts to deepen our partnerships with key bilateral partners to ensure we maximise our collective impact. For the Global Fund, the partnerships with civil society and the private sector are also vital to ensuring we reach those most at need, and that we are constantly innovating in everything we do. Yet above all, it is the partnerships with countries and communities that count the most, since it is they that must lead the fight against the diseases, and they that must deliver the SDG3 aspiration of health and wellbeing for all - for themselves and their people.

The risks arise from the potential to lose focus. A clear mandate and an obsession with delivering outcomes for people – saving lives, reducing infections, lifting communities from the burden of disease – has served the Global Fund well, ensuring that we are disciplined in deploying our resources, and sustained the confidence of donors that their money will be well used. While we must be acutely aware of the broader SDG3 agenda, and should seize the opportunities to accelerate the achievement of complementary objectives where we can, we must not lose our clarity of purpose, nor our relentless focus on outcome metrics. Given that we are the largest multilateral grant financing mechanism in global health it is inevitable that we will receive countless suggestions on how we should deploy our resources. Most of these will be good things to spend money on, since the returns to investing in health are high in multiple areas, but while we must support the development of the overall system for health and the progression toward more people-centred service delivery we must be careful not to diffuse our resources to the detriment of our core mission. Quite apart from the direct benefits of defeating HIV, TB and malaria in terms of lives saved, and reduced morbidity, freeing communities and health systems from the often-overwhelming burdens of these diseases, will create economic, social and health system capacity that can be used to achieve the broader goals of the SDG agenda.

Moreover, we must guard against hint of complacency. HIV, TB and malaria are formidable adversaries against which there is no middle ground. If we are not winning, we are losing – and losing against any of these three diseases will drag down every aspect of the SDG agenda.

I look forward to our discussion on our place in this broader context during the Board meeting. It's a great way to set the context for the country dialogues that will start imminently, and the Global Fund strategy process we will soon embark on. I am confident that under Donald and Ros's leadership, this Board can guide the partnership to achieve the twin goals we set in the *Investment Case* – of getting back on track to end the epidemics; and of accelerating progress on the overall SDG3 journey.

I want to thank all of you – Board and Committee members, Secretariat staff, technical, civil society, and private sector partners, people from the communities, other stakeholders - for the contributions you have made to what we have achieved together over the past year, and to the support and counsel you have given me personally as I have got to grips with this extraordinary ecosystem. I want to express particular thanks to Carole Presern, who is stepping down after five years as Head of the Office of Board Affairs. As you all know, Carole has played a vital role in supporting the Board and Committees in navigating a vast range of complex and controversial issues during this time. She has also been enormously helpful to me in guiding me through the intricacies of this unique governance system. We owe her huge thanks.

2019 was a hugely important year for the Global Fund partnership, most obviously because of our success in raising \$14 billion just weeks ago in Lyon. 2020 will be equally, if not more important, because next year we will decide how to invest the money. How well we do this will determine how many millions of lives we save, how fast we can end the epidemics, and how much we help countries and communities accelerate their path towards health and well-being for all.

