

PROGRESS REPORT ON THE IMPLEMENTATION OF THE GLOBAL FUND'S STRATEGY

(Refers to documents GF/B14/7 and GF/B15/6)

1. The development of the Global Fund Strategy began in 2005. Participants of the first replenishment meeting in Stockholm in March 2005 noted that a well articulated strategy would be a valuable input to their replenishment reflections. Updates on the development of the strategy were provided to subsequent replenishment meetings and, following Board endorsement of the final set of strategic measures in April 2007, the Global Fund Strategy document¹ was available for the September 2007 replenishment meeting in Berlin. The Secretariat has been implementing this strategy, with the Board providing additional policy guidance where needed, monitoring implementation progress, and deciding on any necessary adjustments or new initiatives. This paper gives a progress update on the implementation of key initiatives in the Global Fund Strategy.

2. The Global Fund has shown robust progress in implementing the Strategy: year-end performance against the Board-approved 2008 key performance indicator on strategy implementation² stands at an **aggregate 88 percent of achievement against implementation milestones** (as compared to the agreed target of 80 percent). More detail on specific initiatives included in the strategy is provided below.

3. The agreed measures to **strengthen the role of civil society and the private sector in grant oversight and implementation** have been implemented.

- a. The Global Fund began implementation in Round 8 of its policy on Dual-Track Financing, which recommends that countries routinely include a Principal Recipient (PR) from both the government and non-government sectors in each disease proposal. Around 50 percent of Board-approved disease proposals in Round 8 included implementation approaches that use Dual-Track Financing.³
- b. The proposal form and guidelines were also enhanced in Round 8 to encourage applicants to include interventions to support community systems strengthening. Analysis shows that 84 percent of Board-approved Round 8 proposals included such interventions.
- c. The Secretariat has been working with Country Coordinating Mechanisms (CCMs) to increase the representation of vulnerable groups through greater civil society representation on CCMs. In late 2007, the CCM funding application form was amended to accommodate funding requests for consultations to facilitate greater community participation on CCMs.
- d. A new funding policy was introduced in January 2008 to improve CCMs' access to funding for their core administrative functions via an application distinct from that for the rounds. To date, 41 CCMs (31 percent of all CCMs) have received funding through this new policy.⁴

4. The implementation of **National Strategy Applications (NSAs)**⁵ is a critically important initiative the Secretariat is currently engaged in.

¹ Global Fund, "Accelerating the Effort to Save Lives - A Strategy for the Global Fund" (2007).

² See table in annex for detail on the make-up of and achievement against this composite key performance indicator.

³ It is possible that this number will increase during the clarifications process, as more implementers consider the use of multiple PRs.

⁴ Additionally, some CCMs have prior access to funds for CCM support received through their rounds-based applications.

- a. As agreed by the Board in November 2008, the Secretariat will roll out NSAs in a phased manner, beginning with the launch of a “First Learning Wave” of NSAs in early 2009. Its approval timeline is intended to coincide with that for Round 9.
 - b. In parallel, a working group⁶ of the International Health Partnership (IHP⁺), of which the Global Fund is a member, is developing a shared approach for validation of national strategies. Once developed, this could in particular form the basis of the Global Fund’s NSA process. Attributes for sound national strategies, validation principles and options for a validation process have been formulated and are being refined through consultations with countries and other stakeholders. The piloting of this shared approach will follow in the course of 2009, and final multi-partner endorsement is expected in late 2009.
5. Following the conclusion of a pilot project, the Board approved policy changes that allow the broader roll-out of **grant consolidation**.
- a. Since then, Fund Portfolio Managers have, jointly with countries, reviewed 70 instances where grant consolidation may have been feasible.
 - b. However, in practice, consolidating grants with different timelines and Phase 2 review dates has proven difficult, such that, to date, of the 70 consolidation situations initially reviewed, only three consolidations have been achieved, with an additional 14 in process.
 - c. Beginning with Round 8, applicants have explicitly been given the opportunity to indicate in their application whether they wish to consolidate existing grants. Of the 174 eligible Round-8 proposals received, 39 (i.e. 22 percent) indicated an interest in consolidating their potential new funding with previous Global Fund grants.
6. In Round 8, following a Board decision to this effect, the Global Fund refined its mode of funding for **health system strengthening (HSS)**, thus enabling applicants to *fully integrate HSS requests within a disease proposal* or instead, when the HSS actions will significantly benefit more than one disease, to *use a distinct “cross-cutting” HSS section* in a disease proposal.
- a. In that round, 46 percent (45 out of 98) of all eligible applicants made use of the distinct cross-cutting HSS section in a disease proposal.
 - b. Of these, 53 percent (i.e. 24 requests) were recommended for funding.
7. Implementation of the strategic initiatives designed to address **procurement-related** implementation bottlenecks is ongoing:
- a. The Secretariat has developed an improved Price Reporting Mechanism that aims to address the data consistency and quality issues that have plagued the existing system. The new Price and Quality Reporting tool will be launched in February 2009.
 - b. The Secretariat has also established a Voluntary Pooled Procurement (VPP) service. The Secretariat is in the process of registering participating PRs for the VPP.
 - c. Access to additional procurement capacity-building services is being expanded through new service providers that will be selected by end of March 2009.
8. Finally, the Secretariat has been working to implement its **resource mobilization** strategy, including strengthening the commitment of existing public donors and attracting new donors, implementing the private sector engagement strategy and mobilizing additional resources through innovative financing mechanisms. More information on the status of these initiatives can be found in the replenishment paper entitled “Progress Report on Resource Mobilization Efforts”.

⁵ NSAs are an approach that enables funding requests to the Global Fund in the form of a national strategy - which has been independently “validated” using broadly-agreed, international standards - and some minimal additional information. It will create an incentive for country stakeholders to develop robust national strategies, eliminate parallel planning efforts and contribute to improving harmonization among donors. The national strategy could be a disease-specific strategy or a health strategy.

⁶ The working group includes representatives of WHO (health systems, tuberculosis and malaria departments), UNAIDS, GAVI, UNFPA, the World Bank, donors (the Netherlands, Australia), civil society, and the Global Fund.

Milestones used for assessment of implementation progress of Global Fund strategy in 2008 and year-end results								
Strategic groupings / strategic initiatives		2008 milestones		Weights ¹		2008 year-end results		
		Deadline (2008)	Description of milestones	Mid-year	End-Year	Description of results	Weight	Percentage of implementation milestone achieved
Initiatives to strengthen the role of civil society and the private sector	Dual-Track Financing	March	Round 8 proposal form and guidelines consistent with Board-approved policy for Dual-Track Financing	1/3	1/3	Achieved	1/3	100
	Community systems strengthening	March	Round 8 proposal form and guidelines consistent with Board-approved policy for strengthening of community systems	1/3	1/3	Achieved	1/3	100
	Measure to increase representation of vulnerable groups	February	Portfolio Committee presented with analysis of composition of Country Coordinating Mechanisms (CCMs) and proposed measures to increase NGO representation on CCMs	1/3	1/6	Achieved	1/6	100
		December	Discussions begun with CCMs that have less than 40 percent representation of NGOs in order to increase NGO representation above 40 percent	-	1/6	Achieved	1/6	100
National Strategy Applications	June	Agreement among partners on validation criteria (or "attributes") for national strategies	1	1/2	Achieved: Agreement among IHP working group on attributes; country/other stakeholder consultations on these ongoing.	1/2	100	
	October	Agreement among partners on shared validation (or "appraisal") approach for national strategies	-	1/2	Partly achieved: Agreement among IHP working group on principles for shared validation approach + options for validation process; consultations on these ongoing.	1/2	50	
Grant consolidation	March	Appropriate adaptations made to Round 8 proposal forms and guidelines and to relevant Rolling Continuation Channel processes and documents to facilitate grant consolidation.	1	1	Achieved	1	100	
Global Fund revised approach to health systems strengthening	March	Round 8 proposal form and guidelines consistent with Board-approved policy on revised Global Fund approach to health systems strengthening	1	1	Achieved	1	100	
Strengthening the Price Reporting Mechanism	April	Design of new IT system for Price Reporting Mechanism approved by Secretariat's project steering committee	1	1/2	Achieved	1/2	100	
	December	New IT system for Price Reporting Mechanism deployed and all users trained	-	1/2	Mainly achieved: System developed, final testing of data integrity in Dec./Jan. resulted in delay of launch until 1 Feb 2009. Status at end Jan 2009: User training nearly complete (in conjunction with LFA training).	1/2	90	
Other initiatives to address procurement-related bottlenecks	Voluntary pooled procurement	April	Tendering process for procurement agents for voluntary pooled procurement started (expression of interest published)	1/2	1/4	Achieved: Tendering process for both the Negotiating Agent and the Procurement Agent conducted with Request for Proposals published. Contract with Negotiating Agent signed. Also, initiatives have been taken to involve UNITAID and consider synergies between voluntarily pooled procurement and AMF-m.	1/4	100
		October	Procurement agents for voluntary pooled procurement contracted	-	1/4	Mainly achieved: VPP procurement agent selection completed in December. Status at end Jan 2009: Contracting awaiting final approval.	1/4	90
	Procurement capacity-building services	April	Tendering process for service provider(s) for procurement capacity-building services started (expression of interest published)	1/2	1/4	Partly achieved: Expression of interest published in Q2-2008. Tendering process for service providers delayed to draw lessons from VPP tendering process but also due to human resource constraints. Status at end Jan 2009: Tendering process currently ongoing (launched 20 January - closing date 6 March 2009).	1/4	50
		October	Service provider(s) for procurement capacity-building services contracted	-	1/4	Not achieved: Requires completion of tendering process. Estimated time for contracting the service providers is end of Q1-2009.	1/4	0
						Aggregate percentage of implementation milestones that have been reached (target 2008 = 80%)	88%	

Footnote:
¹ Equal weights (of value 1) have been assigned to the strategic groupings (first column) and then cascaded down by assigning equal weights to the strategic initiatives within these groupings (when there is more than one initiative per grouping). Those weights are then assigned equally to the individual milestones in each initiative that are relevant at a given point in time (mid year or end of year).