



*Empowered lives.
Resilient nations.*

UNDP GLOBAL FUND PARTNERSHIP

United Nations Development Programme

2014–2015



EXECUTIVE SUMMARY

This Annual Report provides

- i. an analysis of the overall status of the partnership between the Global Fund and UNDP, and strategic opportunities moving forward;
- ii. an overview of the performance and results of UNDP-managed Global Fund grants;
- iii. an update on the status of capacity development and transitions of UNDP-managed grants to national Principal Recipients; and
- iv. a report on the work of the UNDP Global Fund Partnership Team in 2014 and its support to UNDP Country Offices.

UNDP continues to play a key role in supporting countries facing challenging circumstances in accessing Global Fund resources, making the money work, managing the risks, and achieving vital health outcomes, all the while building national capacity and institutions that will ensure sustainability of Global Fund programmes. The partnership is a key feature of the Global Fund's approach to risk management in difficult country contexts.

The Global Fund is continuously evolving and UNDP needs to be ever more agile in adapting its support and engagement. In 2015, the **Global Fund is in the process of developing its new strategy for 2017–2021**, presenting the partnership with a host of strategic opportunities, including engagement on key policy issues, building on existing work in “challenging operating environments”, sharing experiences in developing the capacity of national systems, promoting domestic and sustainable financing, and continuing to innovate in the area of risk management together with the Global Fund.

UNDP's partnership with the Global Fund is a powerful contributor to UNDP's Strategic Plan 2014–2017 and to health-related development goals, through the key role it plays in supporting countries facing challenging circumstances to strengthen their institutions and enable access to essential social services.

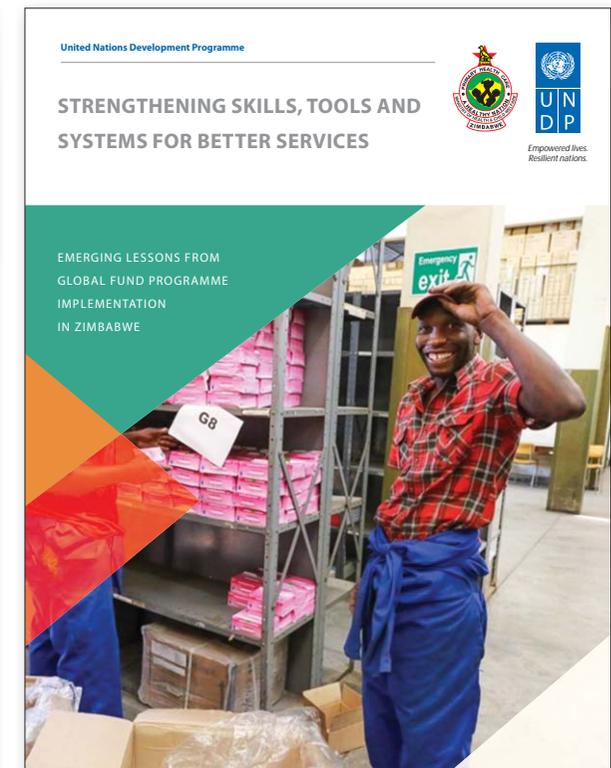
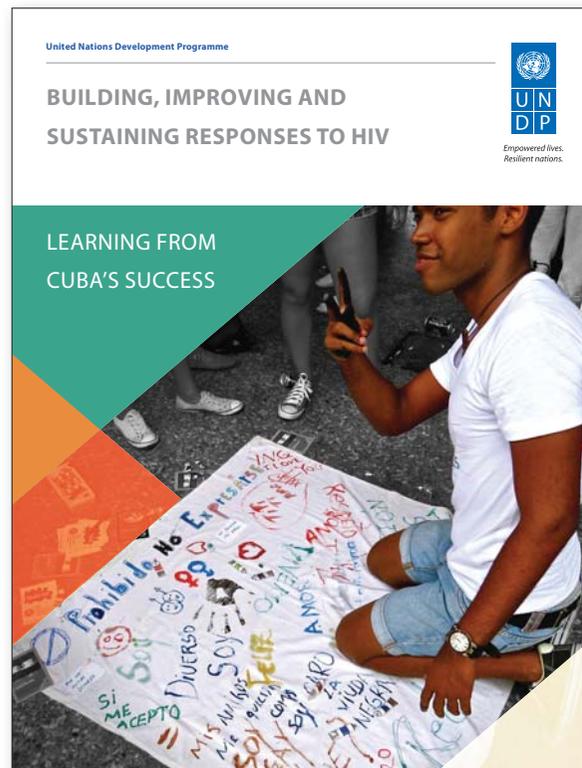
The **results** of the partnership continue to be remarkable. For instance, over 1.4 million people are currently receiving HIV treatment through UNDP programmes financed by the Global Fund, enabling them to live healthier lives, stay productive to support their families, and reduce the spread of HIV to others. This represents 1 in 8 people on HIV treatment in low- and middle-income countries.

The performance of UNDP grants continues to exceed all others. Over **sixty percent of UNDP grants are currently rated A1 or A2** by the Global Fund, compared with 37 percent of grants implemented by other partners. This is despite the fact that UNDP is operating in the most difficult country contexts, including Afghanistan, Chad, Haiti, Iraq, Mali, South Sudan, State of Palestine, Sudan, and Syria.

As of 5 March 2015, UNDP is managing 49 Global Fund grants in 25 countries, as well as one Regional Grant in Asia Pacific covering another 7 countries. The total value of the active/signed agreements with the Global Fund (1–4 year duration) has reached US\$ 1.96 billion. Including the US\$ 607.7 government parallel co-financing invested into these programmes, as per Global Fund requirements, and Global Fund resources managed by UNDP in a role of support to national Principal Recipients, the **total size of the UNDP-Global Fund portfolio is US\$ 2.65 billion**. In 2014, the total Global Fund contributions to UNDP were US\$ 411.6 million and the UNDP Global Fund portfolio expenditure/delivery was US\$ 474.1 million.

Beyond this programme implementation role, the past year has seen a further deepening in UNDP's engagement with the Global Fund on **human rights, key populations, gender, capacity development of health systems, sustainable financing**, and other key strategic issues.

In 2014, UNDP continued to use, support and strengthen national systems necessary for the implementation of Global Fund grants and other health programmes. Areas of **capacity development** include programme and financial management, fiduciary controls and oversight, sub-recipient management, procurement and supply chain management, enabling policy environments, and monitoring and evaluation. The report provides an update on those efforts, as well as the status of transition of the role of Principal Recipient to national entities in the countries in which UNDP manages Global Fund programmes.



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I. OVERVIEW OF THE PARTNERSHIP

1. General update

UNDP continues to play a key role in supporting countries facing challenging circumstances access Global Fund resources, implement grants, manage the risks, and achieve remarkable and measurable health outcomes, all the while building national capacity and institutions that will ensure sustainability of Global Fund programmes. As such, the partnership is an important feature of the Global Fund’s approach to risk management in difficult country contexts.

As of 5 March 2015, UNDP is managing 49 Global Fund grants in 25 countries, as well as one Regional Grant in Asia Pacific covering another 7 countries. The total value of the active/signed agreements with the Global Fund (1–4 year duration) has reached US\$ 1.96 billion. With the additional government parallel co-financing invested into these programmes, which is mandated by the Global Fund and amounts to US\$ 607.7 million, as well as Global Fund resources managed by UNDP in support to national Principal Recipients, the total size of the UNDP-Global Fund portfolio is US\$ 2.65 billion.

In 2014, the total Global Fund contributions to UNDP were US\$ 411.6 million and the UNDP Global Fund portfolio expenditure/delivery was US\$ 474.1 million. UNDP’s partnership with the Global Fund is a powerful contributor to two Outcomes of UNDP’s Strategic Plan 2014–2017:

- Outcome 3 “Countries have strengthened institutions to progressively deliver universal access to basic services”, and since many UNDP Global Fund grants are in crisis countries;

- Outcome 6 “Early recovery and rapid return to sustainable development pathways are achieved in post-conflict and post-disaster settings”.

The impact continues to be remarkable. Over 1.4 million people are currently receiving HIV treatment through UNDP programmes financed by the Global Fund, which enables them to live healthier lives, stay in work to support their families, and reduce the spread of HIV to others. This is one in eight people on HIV treatment in low-and middle-income countries.

Six countries (Bolivia, Iran, Kyrgyzstan, Sao Tome and Principe, Tajikistan, and Zambia) have decreased the incidence of malaria by 75 percent with support from UNDP and 13 countries (Angola, Belize, Belarus, Bosnia & Herzegovina, Cuba, El Salvador, Haiti, Kyrgyzstan, Montenegro, Sao Tome & Principe, Syria, Tajikistan, and Turkmenistan) have exceeded the global target of 70 percent of TB case detection rate set for 2015. 500 million condoms have been distributed and 22 million people have received HIV testing and counselling (for more on results and impact, see Section III). As for programme performance, UNDP continues to outperform other implementers of Global Fund grants combined. Over 63 percent of UNDP grants are currently rated A1 or A2 by the Global Fund, compared to 36 percent of grants implemented by other partners, and this despite the fact that UNDP is operating in the most difficult country contexts. This is also a remarkable improvement for UNDP in the last 5 years. In 2010 only 25 percent of UNDP grants were rated A1 or A2.

Beyond the programme implementation and capacity development role, the past year has seen a further deepening in UNDP’s engagement with the Global Fund on a number of key policy issues. This includes work to operationalize the Global Fund’s commitments on human rights, gender and key populations, and to translate those into costed interventions with measurable and verifiable results.

UNDP is also involved in discussions on how the Global Fund should increasingly tailor its approach to countries' circumstances along the 'development continuum', including through more flexible arrangements and more risk tolerance for countries presenting 'challenging operating environments' (what is often called fragile states). The Global Fund Board wants this reflected in the next Global Fund Strategy (2017–2021) and UNDP is involved at various levels in the process that will lead to the new strategy's development.

2. Emerging opportunities in 2015 and beyond

a. Engagement on the Global Fund's new Strategy for 2017–2022

In 2015, the Global Fund is embarking on a comprehensive process of consultations with partners on its replenishment in 2017 and its new Strategy 2017–2021. Along with other key partners of the Global Fund, UNDP is playing an important role throughout this process.

As a first step in the consultations on its new strategy, the Global Fund created a 'Development Continuum Working Group', chaired by the Swedish Health Ambassador and composed of member of the Global Fund Board, to provide initial input into the Global Fund's new strategy and help shape the consultations in the course of 2015. Under this 'Development Continuum Working Group', UNDP

is very much in line with what UNDP, other UN agencies and a number of donor and programme countries have advocated for: proper alignment with national disease strategies and health plans; stronger country ownership with better articulation of needs and demands through meaningful country processes; and more equitable allocation of funds towards low-income and lower middle-income countries with higher disease burdens, while protecting the ability of the Fund to support key interventions in countries with concentrated epidemics.

Secondly, the NFM offers an opportunity for UNDP to support countries in helping to anchor their Global Fund applications not only in national disease and health strategies, but also more broadly in national development and poverty reduction strategies, and national budget processes and expenditure frameworks. It opens the door for engaging in a strategic dialogue with countries about sustainable financing of these programmes, especially middle income countries where Global Fund support will be phasing out.

c. Implementation support in crisis countries and fragile states

Over the years of its partnership with the Global Fund, UNDP has become a world leader in implementing health programmes in the most difficult crisis contexts and war-torn countries. UNDP is managing Global Fund grants in Iraq, Mali, South Sudan, Syria, and other crisis countries. UNDP was also

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