



**The Five-Year Evaluation
of the Global Fund to Fight
AIDS, Tuberculosis, and Malaria**
Synthesis of Study Areas 1, 2 and 3
MARCH 2009



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This report is based on the findings and recommendations of three separate Study Area Reports completed as part of the Five-Year Evaluation of the Global Fund to Fight AIDS, TB and Malaria, and draws upon input from representatives of each of those three studies. It has benefited from guidance offered by the Technical Evaluation Reference Group (TERG) throughout the 5-year Evaluation, as well as important factual and reality checks provided by Global Fund Secretariat staff.

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Acronyms

ACT	artemisinin-based combination therapy
ARI	acute respiratory infection
ART	antiretroviral treatment/therapy
CCM	Country Coordinating Mechanism
CP	condition precedent
CPA	Country Partnership Assessment
CSO	civil society organization
DOTS	directly observed treatment, short-course
EARS	Early Alert and Response System
ERM	Enterprise Risk Management
HSS	health systems strengthening
IETF	Impact Evaluation Task Force
IPTp	intermittent preventive treatment during pregnancy
ITN	insecticide-treated bed net
LFA	Local Fund Agent
M&E	monitoring and evaluation
MAP	Multi-Country AIDS Program
MARP	most at-risk population
MCH	Maternal and Child Health
NGO	nongovernmental organization
PBF	Performance-based Funding
PEPFAR	President's Emergency Plan for AIDS Relief
PMTCT	prevention of mother-to-child transmission of HIV/AIDS
PR	Principal Recipient
PSC	Policy and Strategy Committee
PUDR	Performance Update and Disbursement Review
RCC	Rolling Channel Continuation
SA1	Study Area 1
SA2	Study Area 2
SA3	Study Area 3
SR	sub-recipient
SSR	sub-sub recipient
TA	technical assistance
TB	tuberculosis
TERG	Technical Evaluation Reference Group
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNGASS	UN General Assembly Special Session
UNICEF	United Nations Children's Fund
WHO	World Health Organization

PREFACE

In November 2006, the Global Fund Board commissioned the first major independent assessment of its activities, fewer than five years after its creation. Under the oversight of the Global Fund's Technical Evaluation Reference Group (TERG), independent consultants completed three interlinked studies between April 2007 and February 2009 to examine, in turn: the organizational efficiency and effectiveness of the Global Fund; the effectiveness of its partner environment; and the effects of increased resources on the reduction in the burden of the three diseases.¹

Overall, the Five Year Evaluation finds that the Global Fund plays an important role in the Global Development Architecture, and merits the continued support and collaboration from the diverse array of development actors involved in the fight against HIV/AIDS, tuberculosis (TB), and malaria. However, this report also presents conclusions and recommendations, synthesized across the three study areas, that address significant problems and weaknesses which require serious consideration by the Global Fund and its partners. Many of these require immediate attention. Some of the issues raised in this report take on particular urgency in the current economic environment.

This report begins by providing an overview of the historical context of the Global Fund's organizational evolution. It then presents the context in which the Five-Year Evaluation was commissioned, designed, and implemented. Nine key synthesis findings and related recommendations, built from the evidence generated by the three individual studies, form the core of the report. Findings on resource mobilization, increased coverage and disease impact are presented first to outline both the impressive gains and critical challenges in the fight against AIDS, tuberculosis, and malaria. This is followed by synthesis findings on health systems strengthening, outreach to vulnerable populations, performance-based funding, global and country level partnerships, risk management, and governance.

Recommendations are built into each section of the report and in some cases re-emphasize recommendations that were made in one or more of the three study areas. Annex 2 presents the specific recommendations made in each of the three study area reports (and TERG Summary Reports for Study Areas 1 and 2). Other appendices present progress made on these recommendations², and the methodology used for this synthesis exercise.

The Five-Year Evaluation of the Global Fund is among the most ambitious and challenging undertakings of its kind. The studies included examination of disease outcomes and impact, the effectiveness of the organizational business model, and partnership performance at global and country levels, with the ultimate goal of assessing the whole model from a systems perspective. Each of the three study areas faced a range of methodological challenges and a variety of acknowledged and unexpected limitations. In general, the data systems were weaker than required to support the

¹ The Global Fund 2007, *The Five-Year Evaluation of the Global Fund*, The Global Fund to Fight AIDS, Tuberculosis and Malaria, Geneva, <<http://www.theglobalfund.org/en/terg/evaluations/5year/?lang=en>>.

² As reported by the Global Fund Secretariat at the time of completion of this report.

desired level of analysis. The necessity of focusing the analysis on a manageable number of countries limits the generalizability of the findings. Finally, the timing of the overall evaluation and the sequencing of the individual studies presented additional challenges. Most importantly, five years is an extraordinarily limited amount of time over which to measure global level outcomes and impact, especially in a new program with a new model. Investments of both new resources and new approaches require time to take root and bear fruit.

Nevertheless, the results of each of the studies complemented and reinforced the others. The integration and synthesis of the three studies have produced consistent and resonant messages which will inform policy decisions regarding the efforts of the Global Fund to stay on its intended path and to have significant impact on the epidemics of HIV/AIDS, tuberculosis, and malaria.

This report describes an impressive organizational startup which has contributed to a more country-led approach to development assistance. The Global Fund is now well-positioned in the development architecture to make further important contributions to the ongoing global effort to combat HIV/AIDS, tuberculosis and malaria. Complementing the many specific recommendations from the three study reports that are compiled within Annex 2, this report offers its nine synthesis findings and recommendations from the perspective of an external evaluation to inform the work of policy makers that lies ahead.

I. CONTEXT OF THE FIVE- YEAR EVALUATION OF THE GLOBAL FUND

BACKGROUND

The Five-Year Evaluation originated from a Board decision at its sixth meeting in October 2003. It was determined that the evaluation would review the Global Fund's overall performance against its goals and principles after at least one full cycle had been completed, five years after the Global Fund's creation in 2002³. To support this and other monitoring and assessment activities financed by the Global Fund, the Board mandated an independent Technical Evaluation Reference Group (TERG), comprising public-health experts appointed by the Board, also in 2003, to develop terms of reference for the evaluation. Final approval for the launch of the Five-Year Evaluation was given by the Board at its November 2006 meeting, largely based on the scope of work, study design, and research questions developed by the TERG and presented to the Board in the Framework Document on the Scale and Scope of the Five-Year Evaluation.⁴ In April 2007, teams of independent consultants began their work on three separate studies. The topics of each study area, including the two overarching questions within which each was organized, are outlined below:

Study Area 1 (SA1): Organizational efficiency and effectiveness of the Global Fund⁵

1. Does the Global Fund, through both its policies and its operations, reflect its critical core principles, including acting as a financial instrument (rather than as an implementation agency) and furthering country ownership?
2. In fulfilling these principles, does it perform in an efficient and effective manner?

Study Area 2 (SA2): Effectiveness of the Global Fund partner environment⁶

1. How effective and efficient is the Global Fund's partnership system in supporting HIV, tuberculosis and malaria programs at the country and global level?
2. What are the wider effects of the Global Fund partnership on country systems?

³ The Technical Evaluation Reference Group 2006, *Technical Background Document on the Scale and Scope of the Five-Year Evaluation of the Global Fund to Fight AIDS, Tuberculosis and Malaria*, The Global Fund to Fight AIDS, Tuberculosis and Malaria, Geneva, viewed 29 January 2009, <http://www.theglobalfund.org/documents/terg/14_tech_report.pdf>.

⁴ The Global Fund 2006, *Technical Evaluation Reference Group: Framework on the Scale and Scope of the Five Year Evaluation*, Fourteenth Board Meeting Documents, GF/B14/7, Annex 3, The Global Fund to Fight AIDS, Tuberculosis and Malaria, Geneva.

⁵ Ryan L et al. 2007, *Evaluation of the Organizational Effectiveness and Efficiency of the Global Fund to Fight AIDS, Tuberculosis and Malaria, Results from Study Area 1 of the Evaluation*, Final Report Study Area 1, Submitted to the Global Fund, Macro International Inc., Maryland.

⁶ Mookherji S. et al. 2008, *Evaluation of the Global Fund Partner Environment, at Global and Country Levels, in Relation to Grant Performance and Health Systems Effects, Including 16 Country Studies*, Final Report Study Area 2, Submitted to the Global Fund, Macro International Inc., Maryland.

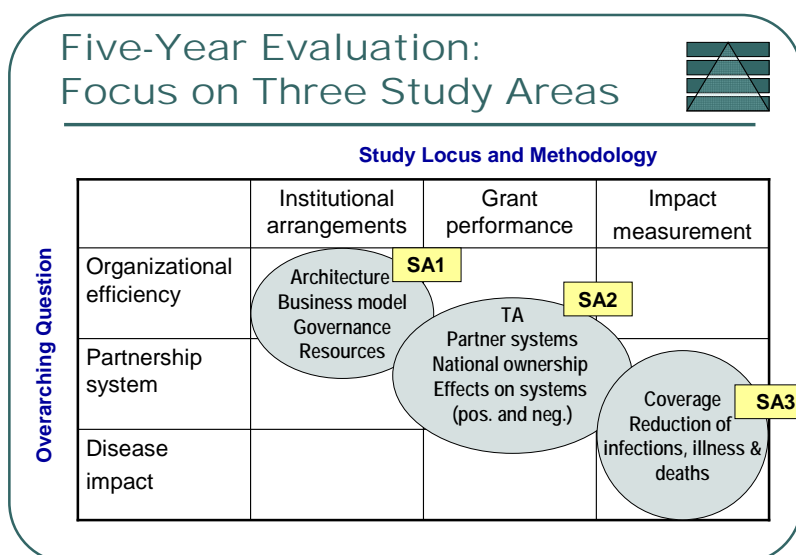
Study Area 3 (SA3): Impact on the three diseases⁷

1. What is the overall reduction of the burden of AIDS, tuberculosis and malaria?
2. What is the Global Fund’s contribution to that reduction?

In addition to these six questions, the evaluation terms of reference called for recommendations for improvements and possible course corrections in each of these areas. From the outset, the three study areas were defined by the TERG and the Board to be mutually interdependent (Figure 1). The main purpose of the Synthesis Report of the Five-Year Evaluation of the Global Fund is to bring together the major findings and recommendations that emerged from each of the three separately designed studies implemented by three different teams.

The three teams included were led by consortia of partners assembled by Macro International Inc. to strategically address the broad range of questions in the terms of reference. The Study Area 3 team included five partners: Macro International, the Johns Hopkins Bloomberg School of Public Health, the Harvard University School of Public Health, the World Health Organization (WHO), and the African Population and Health Research Center, as well as in-country research institutions in the 18 countries that participated in the study. Study Areas 1 and 2 included Macro International, the Johns Hopkins Bloomberg School of Public Health; Axios International, Development Finance International, the CORE Group, the Indian Institute for Health Management Research, and the George Washington University School of Public Health and Health Services.

Figure 1: Focus of the Three Study Areas of the Five-Year Evaluation⁸

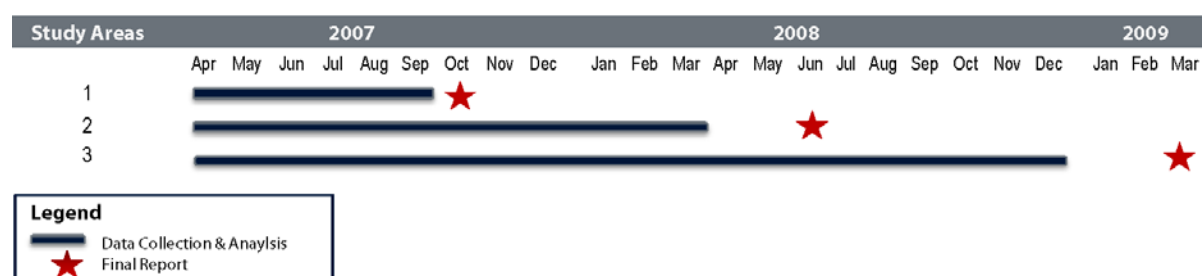


⁷ Macro International Inc. 2009, *The Impact of Collective Efforts on the Reduction of Disease Burden, Global Fund Five-Year Evaluation: Study Area 3*, Submitted to the Global Fund, Macro International Inc., Maryland.

⁸ The Technical Evaluation Reference Group 2006, *Technical Background Document on the Scale and Scope of the Five-Year Evaluation of the Global Fund to Fight AIDS, Tuberculosis and Malaria*, The Global Fund to Fight AIDS, Tuberculosis and Malaria, Geneva, viewed 29 January 2009, <http://www.theglobalfund.org/documents/terg/14_tech_report.pdf>.

These studies were conducted between April 2007 and October 2008, with Final Reports for each completed in October 2007 (SA1), June 2008 (SA2), and February 2009 (SA3) (Figure 2).

Figure 2: Timeline of the Three Study Areas



SCOPE

The Five-Year Evaluation of the Global Fund was among the most ambitious evaluations of a major development assistance organizational start-up to date. SA3 drew upon data from 18 countries, while SA2 completed assessments in 16 countries over the period of study (Table 1).

Table 1: Five-Year Evaluation Focus Countries, by Study Area

Country	Study Area	Country	Study Area
Benin**	3	Malawi*	2, 3
Burkina Faso*	2, 3	Moldova**	3
Burundi**	3	Mozambique**	3
Cambodia*	2, 3	Nepal	2
DR Congo**	3	Nigeria	2
Ethiopia*	2, 3	Peru*	2, 3
Ghana**	3	Rwanda**	3
Haiti*	2, 3	Tanzania*	2, 3
Honduras	2	Uganda	2
Kenya	2	Vietnam**	2, 3
Kyrgyzstan**	2, 3	Yemen	2
Lesotho**	3	Zambia*	2, 3

* SA3 Primary Data Analysis Countries

** SA3 Secondary Analysis Countries

Complexity of Design: There have been different types of multi-country evaluation studies in the health sector. Some such as the Joint United Nations Programme on HIV/AIDS (UNAIDS) five-year evaluation involve multiple country assessments focusing almost entirely on its own role in the response.⁹ Others, such as the Institute for Health Metrics and Evaluation analyses of the GAVI Alliance, completely rely on secondary analysis of existing data.¹⁰ Still others deal with a specific set

⁹ Harnmeijer J, Tiendrebeogo G, Poate D and Maurer R 2002, *Five-Year Evaluation of UNAIDS: Final Report*, 8 October, UNAIDS, Geneva.

¹⁰ Lim S, Stein D, Charrow A and Murray C 2008, *Tracking progress towards universal childhood immunization and the impact of global initiatives: a systematic analysis of three-dose diphtheria, tetanus, and pertussis immunization coverage*, 13 December, *Lancet*, Vol. 372, Iss. 9655, Pages 2031-2046.

of interventions, such as the multi-country evaluation of the Integrated Management of Childhood Illness, with extensive data collection and analyses in countries.¹¹

The Five-Year Evaluation is distinct from previous evaluations in that it examines not only the collective contributions of the Global Fund and other national and international partners to scaling up against the three diseases, but also seeks to analyze the partnership model of the Global Fund and the organizational efficiency and effectiveness of the organization. The Five-Year Evaluation then draws conclusions related to a synthesis of the three study areas. The design required a mix of methods across the three study areas, including primary data collection through district comprehensive assessments; review of secondary data such as Demographic and Health Survey results and country health information system data; quantitative analyses to assess grant performance; review of Global Fund documentation and a broader base of literature; and qualitative analyses of focused interviews with Global Fund Board Members, Secretariat Staff, implementers and partners at the global and country levels.

Study Area 2 addressed 32 separate evaluation questions within the context of 15 “elements” outlined in its terms of reference. It marked one of the most comprehensive evaluations of a “partnership model”, for which there was little pre-existing literature at the outset of the evaluation. Study Area 3 sought to conduct the impact evaluation through an approach that fostered strong country ownership and contributed to the strengthening of country capacity. A final product of Study Area 3 is a Model Evaluation Platform which documents the processes by which countries can measure impact into the future.

Diversity of Input: Eighty-nine Secretariat staff from across key business units informed the organizational assessment of the Global Fund conducted through Study Area 1, while eighteen board members, representing all constituencies, were interviewed for the Board governance study. Representatives from key Global Partners also informed the findings of Study Area 1.

Study Area 2 conducted in-depth interviews and focus groups with an average of 61 respondents representing Country Coordinating Mechanisms (CCMs), Principal Recipients (PRs), Local Fund Agents (LFAs), civil society organizations (CSOs), bi-laterals, and other development partners, with over 900 individuals in total participating in the Study. Study Area 2 also conducted a quantitative analysis of grant scorecards for 93 grants in the 16 countries.

For Study Area 3, 49 local institutions and individuals were subcontracted to compile and analyze available data in all 18 countries and collect new data in eight of those countries.

Significant Investment: The contract to conduct the Five-Year Evaluation of the Global Fund was valued at US\$16,204,500. Six percent of the contract amount was dedicated to Study Area 1; 12 percent to Study Area 2; and 73 percent to Study Area 3. A significant portion of the SA3 investment was towards in-country data collection and capacity development required in countries for future evaluation efforts.

¹¹ Available at: http://www.who.int/child_adolescent_health/topics/prevention_care/child/imci/en/index.html

CHALLENGES

The unique design of the Five-Year Evaluation uncovered many opportunities for learning, but also created some challenges that were unforeseen at the outset of the study.

Timelines for Design, Implementation, and Analysis: The evaluation was conducted on a very short timeline. The contract with the consortium was signed in April 2007. Work planning for Study Area 3- the Study Area with the longest implementation timeframe- occurred in May through November 2007, led by Impact Evaluation Task Forces (IETFs) that were established in participating countries by the Global Fund to facilitate country ownership of that phase of the Evaluation. Secondary analyses and field work ran from November 2007 through August 2008 in most countries, and preliminary analysis of primary data was conducted from June 2008 through December 2008 as countries completed their fieldwork and feedback on secondary analysis reports was reviewed. This left little time for alignment with country-led processes such as annual health sector reviews, launching of national surveys and other data collection or midterm reviews. There was at best partial alignment with these activities in some countries, and future efforts are needed to decide how to properly plan evaluation activities, bearing in mind the country context.

Study Area 2 developed its protocols, coordinated assessments through CCMs, and fielded teams in 16 countries between April 2007 and December 2007. Given these timelines, the design phase of SA2 was compressed to ensure that all in-country work could begin in June 2007. Data analysis began in September 2007 even as country assessments were being completed, and continued through May 2008 in preparation of the final SA2 report.

The overall design of the Five-Year Evaluation facilitated the rapid generation of results, but did not lend itself to interpreting the findings of Study Areas 1 and 2 through the lens of the collective scale-up efforts that were assessed in Study Area 3. The sequential and segmented approach proved costly in financial terms and challenging in bringing coherence into three foundation reports written in three different time frames. Given the order in which the Study Areas were rolled out and completed, it was not possible to fine tune the design of Study Areas 1 or 2 based on findings and trends that emerged from Study Area 3. Further, the parallel timelines for completing both Study Area 3 and this synthesis report provided limited opportunity for addressing gaps that emerged from across the three Study Areas.

Notwithstanding the above, the Global Fund appropriately sought to be responsive in moving quickly to address recommendations made in Study Areas 1 and 2 in so far as these were seen as independent from potential findings in Study Area 3. While this is a very positive outcome, it created the additional challenge of synthesizing findings and recommendations made on a “moving subject” across the range of the three Study Areas.

Country Selection and Country Roles in the Evaluation: Country selection was purposive for Study Areas 2 and 3, and was therefore not reflective of the portfolio as a whole. The final countries selected for Study Area 2 tended to concentrate on mid-level performers (based on a review of a composite performance score developed by the Secretariat), with an insufficient number of outliers at the poor or good performing ends to allow for generalization of findings from statistical analyses of the grants for these countries.

Impact Evaluation Task Forces were set up by the Global Fund to ensure stakeholder involvement in Study Area 3 and to manage the potential tension between country ownership and independent assessment. The task force model was only successful in a few countries. The CCM involvement differed substantially between countries. In some cases it entailed active involvement and/or membership on IETF while in other cases it was merely kept informed. Study Area 2 worked through the CCM to initiate its in-country work, but found it necessary to coordinate with the IETFs as well in SA2/SA3 overlap countries. In retrospect, it would have been more effective and more sustainable to build upon existing mechanisms of coordination and leadership within countries instead of creating the IETFs.

Placing Findings/Recommendations in the Context of Similar Evaluation Efforts: The evaluation study was generally successful in avoiding duplication of data collection efforts, but each Study Area faced challenges related to competing data collection efforts by countries, Global Fund Partners, and in some cases, the Global Fund itself. Study Area 1, for example overlapped in timing significantly with the Management Review conducted for the Executive Director by Booz Allen Hamilton,¹² and sought to coordinate with that team while maintaining the independence of the 5-year Evaluation. Study Area 2 field teams overlapped in several countries- often unknowingly- with consultants leading the CCM case studies commissioned by the Global Fund. They sought to be collaborative whenever there was a shared awareness that both teams were in-country during the same timeframe. The LFA Study, carried out separately from the three study areas, was finalized during the start-up phases of Study Areas 1 and 2, and also coincided with the retendering process for LFAs. These dynamics created challenges to interacting with LFA representatives during the SA2 country assessments. Study Area 3 found that the lack of long term planning implied that the data collection efforts were not part and parcel of country health information plans, where they existed (in fact, in most countries these do not exist). There were several examples of overlapping, perhaps complementary, data collection efforts. For instance, in Tanzania six partly overlapping surveys with malaria modules were conducted in 2008. Data sharing by partners was generally good, although in some countries it was very difficult for the local teams to obtain all data that should be available routinely.

REINFORCING FINDINGS

Notwithstanding the limitations, the three studies reinforced each other's findings in areas that center around unresolved issues of strategy and policy, including inherent tensions and even contradictions in the founding business model principles of the Global Fund. These issues are reflected in: the absence of a systemic organizational risk management strategy; a struggling performance-based financing system; and partnerships based more on an assumption of mutual shared interests rather than articulated common objectives and agreed divisions of labor. As with many start-up organizations, the first five years of the Global Fund has demanded urgent attention to short-term problems as they have emerged. This has been accentuated in the case of the Global Fund, whose unprecedented mobilization and rollout of financial resources has diverted attention from the severity and risks of these fault lines.

¹² Booz Allen Hamilton 2007, *The Global Fund to Fight AIDS, Tuberculosis and Malaria: Organizational and Management Review*, Draft Executive Summary, November 5, Booz Allen Hamilton.

In sum, the overall evaluation found a complex and sometimes contradictory picture. Much has been achieved in terms of resource mobilization and allocation in an impressively short time. However, there are also several foreboding signs that the intensity of start-up, the considerable release of funds, and the rush to implement has created a bubble of unrealistic expectations about the Global Fund's capacities, internally and externally. This evaluation suggests that there is an urgent need to make strategic investments to address the structural weaknesses within the partnership model of the Global Fund. At this critical juncture, the major findings of the Five-Year Evaluation will hopefully serve to help safeguard the positive innovative aspects of the Global Fund's intended business model.

II. INTENT OF THE GLOBAL FUND: HIGH EXPECTATIONS FOR A STRENGTHENED GLOBAL RESPONSE

The Global Fund was born in a geopolitical environment of high angst surrounding a worsening AIDS epidemic and wide demand for an urgent and expanded global response. In addition, new technical advances that could roll back the HIV/AIDS, TB, and malaria epidemics, and opportunities for synergies within the health sector, formed the backdrop for its creation. Further there was a strong sense, supported by some analysis, that program capacities in the most affected countries were sufficient to begin taking those interventions ‘to scale’ given adequate financial support. Following several rounds of intense negotiations in Brussels and elsewhere, The Global Fund was established and commenced operations within six months of the August 2001 UN General Assembly Special Session (UNGASS) on HIV/AIDS. Nearly US\$1 billion dollars in financial pledges preceded its first formal meeting. The expectations for its performance and impact were extraordinarily high.

So it is perhaps inevitable that the first external evaluation of the Global Fund would have to differentiate carefully between findings measured against aspiration, expectation, and performance. Five years is a long time in an epidemic—but a relatively short period in which to conceive and make operational an international organization, from designing applications to measuring impact.

The historical context circa 2000 is partially captured within the primary political agreement leading to the Fund’s establishment (UNGASS 2001)¹³ and the primary organizational development agreement to its governance and *modus operandi* (Brussels Framework Document, 2001).¹⁴ The resultant guiding principles from the Framework Document (Table 2) reflect the aspirations for the organization at that time. Additional documentation from the G8, the governing boards of the UN System organizations, the Roll Back Malaria and the Stop TB Partnerships, and ad hoc civil society consultations further frames the historical landscape.¹⁵

¹³ United Nations 2001, *Declaration of Commitment on HIV/AIDS*, United Nations General Assembly Special Session on HIV/AIDS, New York, <http://data.unaids.org/publications/irc-pub03/aidsdeclaration_en.pdf>.

¹⁴ The Global Fund 2001, *The Framework Document of the Global Fund to Fight AIDS, Tuberculosis and Malaria*, The Global Fund, Geneva.

¹⁵ United Nations 1994/1995, *United Nations ECOSOC Resolutions Establishing UNAIDS*, United Nations Economic and Social Council, Joint and Co-Sponsored United Nations Programme on Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS), Resolutions 1994/24, 1995/223, 1995/2, New York, <http://data.unaids.org/pub/ExternalDocument/1994/ecosoc_resolutions_establishing_unaids_en.pdf>.

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Stop TB Initiative 2000, *Amsterdam Declaration to Stop TB*, March, The Ministerial Conference on Tuberculosis and Sustainable Development, Amsterdam, <http://stoptb.org/stop_tb_initiative/assets/documents/decla.pdf>.

G8 2000, *G8 Communique Okinawa 2000, Kyushu-Okinawa Summit 2000*, G8, Okinawa, <<http://www.g8.utoronto.ca/summit/2000okinawa/finalcom.htm>>.

United Nations 2001, *Declaration of Commitment on HIV/AIDS*, June, United Nations General Assembly Special Session on HIV/AIDS, New York, <http://data.unaids.org/publications/irc-pub03/aidsdeclaration_en.pdf>.

Table 2: Guiding Principles of the Global Fund¹⁶

- A. The Fund is a financial instrument, not an implementing entity.
- B. The Fund will make available and leverage additional financial resources to combat HIV/AIDS, tuberculosis and malaria.
- C. The Fund will base its work on programs that reflect national ownership and respect country-led formulation and implementation processes.
- D. The Fund will seek to operate in a balanced manner in terms of different regions, diseases and interventions.
- E. The Fund will pursue an integrated and balanced approach covering prevention, treatment, and care and support in dealing with the three diseases.
- F. The Fund will evaluate proposals through independent review processes based on the most appropriate scientific and technical standards that take into account local realities and priorities.
- G. The Fund will seek to establish a simplified, rapid, innovative process with efficient and effective disbursement mechanisms, minimizing transaction costs and operating in a transparent and accountable manner based on clearly defined responsibilities. The Fund should make use of existing international mechanisms and health plans.
- H. In making its funding decisions, the Fund will support proposals which:
 - 1. Focus on best practices by funding interventions that work and can be scaled up to reach people affected by HIV/AIDS, tuberculosis and malaria.
 - 2. Strengthen and reflect high-level, sustained political involvement and commitment in making allocations of its resources.
 - 3. Support the substantial scaling up and increased coverage of proven and effective interventions, which strengthen systems for working: within the health sector; across government departments; and with communities.
 - 4. Build on, complement, and coordinate with existing regional and national programs¹⁷ in support of national policies, priorities and partnerships, including Poverty Reduction Strategies and sector-wide approaches.
 - 5. Focus on performance by linking resources to the achievement of clear, measurable and sustainable results.
 - 6. Focus on the creation, development and expansion of government/private/nongovernmental organization (NGO) partnerships.
 - 7. Strengthen the participation of communities and people, particularly those infected and directly affected by the three diseases, in the development of proposals.
 - 8. Are consistent with international law and agreements, respect intellectual property rights, such as TRIPS, and encourage efforts to make quality drugs and products available at the lowest possible prices for those in need.
 - 9. Give due priority to the most affected countries and communities, and to those countries most at risk.
 - 10. Aim to eliminate stigmatization of and discrimination against those infected and affected by HIV/AIDS, especially for women, children and vulnerable groups.

¹⁶ The Global Fund 2001, The Framework Document of the Global Fund to Fight AIDS, Tuberculosis and Malaria, The Global Fund, Geneva.

¹⁷ Including governments, public/private partnerships, NGOs, and civil society initiatives.

The Global Fund was tasked to move boldly, with urgency and it was accorded wide latitude to do so. In the early days of its operations, it was managed primarily through personnel seconded to it by supporting governments, international organisations, NGOs and the private sector--at times with significant discontinuity in senior staff functions. The Global Fund was also tasked to be simultaneously 'faster, more transparent and less bureaucratic' than other major entities, including accountability for results. Moreover, advancing governance approaches that strengthen national ownership and partner engagement in the Global Fund mechanisms was a dominant theme in the early deliberations.

The establishment of the Global Fund came just seven years after the inclusion of NGOs as non-voting members within the UNAIDS Program Coordinating Board was approved by the UN Economic and Social Council, despite the expressions of strong reservations by some Member States. It was far from inevitable that NGOs, foundations and the private sector would be given unprecedented voting rights on the Global Fund Board. When they were, high expectations were raised that that full and welcomed engagement of partners in each of the Global Fund's governance mechanisms would constitute the norm. Thus the same 'tri-partite' participation requirements were adopted for the Country Coordinating Mechanisms.

There was general hopefulness—more than expectation—that the rate of new HIV/AIDS cases would peak and begin to reverse in the decade following the establishment of the Fund. This contrasted with both malaria and TB where the view at the time was that significant reductions in incidence could be achieved rapidly with proportionate investment.¹⁸

Regardless of impact expectations, there was general consensus and expectation that improved coverage, equity and quality of AIDS, TB and Malaria services could be achieved. Further, there was strong political support expressed for addressing perceived gender disparities in access to treatment, in particular for HIV/AIDS. Quality of services was emphasised less than scale and access—the former sometimes seen as a later stage objective. As a consequence, the major political emphasis and expectations were on the 'access to essential drugs and treatment' portions of the broader AIDS, TB and Malaria agendas.

Notwithstanding some differences in view on 'needs based' versus 'quality proposal based' resourcing, there was a general expectation that competition for and allocation of additional financial resources for AIDS, TB and malaria would be in some relative proportion to their respective needs. On the eve of the Global Fund's first meeting in Geneva, the Director General of WHO and the Executive Director of UNAIDS presented their combined analysis describing where additional resources were required to best address unmet need and concluding that some 80+ percent of HIV/AIDS needs were unmet, contrasting with some 20 percent for TB and an intermediate level for malaria.¹⁹

The establishment of the Global Fund was with the expectation that strengthened health systems (including health information systems) would be an almost inevitable consequence of increased

¹⁸ Brundtland GH and Piot P 2002, *The Global Fund to Fight AIDS, Tuberculosis and Malaria, Pre-Board Meeting*, Presentation, 27 January, World Health Organization, Geneva, <http://www.who.int/director-general/speeches/2002/english/20020127_globalfundboard.html>.

¹⁹ Brundtland GH and Piot P 2002.

health sector spending. Though the WHO Commission on Macroeconomics and Health and others effectively made the case that for many with high disease burden, health systems required building as well as strengthening;²⁰ it was not a first-order preoccupation at the time. An important focus of the financial resource costing and advocacy circa 2000 centered on countering the ‘lack of absorptive capacity’ argument against substantial increases in financial resources with the ‘available programming capacity’ argument. So while strengthened health systems were broadly appreciated as a desirable *outcome* of greater levels of investment, they were not generally seen as a necessary precondition for those investments.

The World Bank, though designated as the Global Fund fiduciary in the Framework Document establishing the Global Fund, was seen as somewhat unenthusiastic about taking on the responsibility, inflexible with respect to its financial regulations, and uncertain of the Global Fund’s potential longevity. The World Health Organization, in contrast, appeared more focused at the time on serving as the administrative vehicle for the Global Fund, particularly with respect to its staffing, payroll, contracting and other principal administrative functions. So while grant performance, accountability and oversight capacity were given priority at the time, it was within the context and expectation of a more ‘institutional partnership’ approach where:

- The Global Fund would serve to fill funding gaps in otherwise partner-financed country programs conceived and packaged coherently through ‘Country Coordinating Mechanisms’ led by governments and inclusive of civil society and the private sector;
- The country-level fiduciary functions would be served through or overseen by the World Bank in its role of Trustee;
- Global-level administrative services would be provided through WHO or in cooperation with other agencies;
- Procurement services would be provided through or in cooperation with other agencies (e.g., United Nations Children’s Fund [UNICEF]); and that
- As tasked by the UNGASS of 2001, UNAIDS would lead a global resource mobilization campaign.

All combined, there were widely held expectations that the Global Fund would depend on the quality of the grant performance and related financial services of existing agencies – and serve as a catalyst for their further improvements and innovations.

Prior to the establishment of the Global Fund, historical tensions between funding and technical agencies were well appreciated, and multilateral technical assistance (TA) was generally viewed as under-financed, poorly coordinated, and limited in its delivery. With the establishment and development of the ‘partnership’ technical entities of UNAIDS, Roll Back Malaria and the Stop TB Partnership, there was optimism that increased global funding could be directly translated into

²⁰ WHO 2001, *Strengthening Health Services Delivery*, Report by the Secretariat, 27 April, Forty-Fourth World Health Assembly, Geneva.

strengthened technical assistance capacities available for national program development and execution. Among the strongest (eventual) proponents for the establishment of the Global Fund were the HIV/AIDS-related technical and program assistance agencies who anticipated new opportunities to advance their strategic objectives and provide increased technical support with more program resources available in countries. The establishment of the Global Fund was with the high expectations that partners would assume a proactive role in addressing technical assistance requirements—from proposal development, to the process support to the Technical Review Panel, to the provision of implementation support technical assistance in countries. However the financing of international technical assistance was not explicitly addressed except for the assumption that increased resources in-country would enable more ‘country demand-driven’ international technical assistance—putting the onus for TA requests and financing on program countries.

The establishment of the Global Fund was also accompanied by high expectations for strong national political commitment; technical leadership reflected through effective national strategies; and broad inclusion of partners from multiple sectors. Despite some sharply differing initial views on the role of governments in the CCMs, the Global Fund model at country level was viewed at the time as more ‘evolutionary’ than ‘revolutionary’, following as it did a decade’s emphasis on more strategic partnership architecture in support of nationally owned programs. The UN system ‘Theme Groups’, the Poverty Reduction Strategies, the United Nations Development Assistance Framework and other instruments had for some time placed high emphasis on country level efforts to bring about greater coherence in the international development architecture. The UNAIDS Theme Groups—and then ‘expanded Theme Groups’—were generally viewed as highly successful in facilitating coordination on HIV/AIDS-related programming and advocacy at the country level, and there were high expectations that with the incentive of ‘increased resources following increased coordination’ more strategic and inclusive partnership structures at country level would naturally develop.

Each of the key principles had its strong advocates in the debate leading up to the establishment of the Fund. Performance-based funding, in particular, was championed by several donor countries citing the approaches considered most innovative at that time, including the GAVI approach. Speed, ownership, accountability and effective management were popular themes throughout. In the urgency to establish the Global Fund and the sometimes more theoretical aspects of global level program design, it was perhaps inevitable that the many operational challenges of translating the above design principles and policy objectives into actual programming would be understated. There were few cautions or calls in the inception phase for a more strategic balance between the often competing and sometimes conflicting objectives of greater country ownership and accountability; speed of implementation; adequacy of monitoring for performance-based funding; and effective management of Global Fund assets through the Secretariat.

The establishment of any new program at the international level necessitates serious justification with respect to why the proposed functions cannot be executed by an existing entity or entities. As a consequence, there can be some *overreaching justifications* made for a newly proposed entity—and why it will be faster, leaner, better than existing organisations. At the time of its first external evaluation, those *overreaching justifications* risk becoming the *unrealistic expectations* against which organisational performance is measured.

The discussions surrounding the establishment of the Global Fund anticipated a new and novel partnership approach. The urgency and hopefulness of those discussions also contributed to the implicit high expectation—without explicit deliberation on metrics—that the Global Fund’s organisational efficiency and effectiveness would significantly exceed those of other international institutions.

The Five-Year Evaluation of the Global Fund provides an opportunity to both look back on those initial expectations—and to create a new set of expectations for the future grounded in the first five years of the Fund’s experience and a more collective vision of the evolving international health infrastructure.

III. SYNTHESIS FINDINGS AND RECOMMENDATIONS

Synthesis Finding 1: The Global Fund, together with major partners, has mobilized impressive resources to support the fight against AIDS, tuberculosis and Malaria

The Global Fund has been a significant actor in the scaling up of the global response to AIDS, TB and malaria through its mobilization of additional resources to combat these three diseases. While this is an immensely positive contribution, the current reliance of countries on external support raises significant concerns with respect to the long-term sustainability of programs; the risk of external funding replacing domestic investments; and the effect of the large-scale infusion of international resources on the cost-effectiveness and maintenance of programs.

RECOMMENDATIONS

1. The international development community needs to systematically address the requirements of sustainability in the global response to the three pandemics. As part of this response, the Global Fund replenishment mechanism should further its mobilization of financial resources from existing donors and new sources of funding, including from international donor agencies that have not yet contributed and from non-traditional sources. All Global Fund resources should meet the criterion of additionality—that is they should be *additional* to existing AIDS, TB and malaria funds and to the health sector overall.
2. The Global Fund should in particular increase its efforts to engage the private sector in the partnership, expanding the range and types of contributions, especially to mobilize in-country private-sector resources.
3. The Global Fund should work with other financing entities to help ensure the predictable multi-year funding required to maintain high quality programs. This should be given urgent priority, especially in those areas where the Global Fund has become the largest international donor.

The collective efforts over the past five years of the Global Fund, the U.S. President’s Emergency plan for AIDS Relief (PEPFAR), and other partners, including the World Bank’s Multi-Country HIV/AIDS Program (MAP) and the U.S. President’s Malaria Initiative, have contributed to significant increases and shifts in funding for the three diseases. Overall health budgets have grown considerably, in particular for HIV/AIDS, which is taking a greater share of the overall health budget than a few years ago. The Global Fund has served as one of the major multilateral vehicles for this increase.

- In 2007, for HIV, the Global Fund accounted for approximately 18 percent of internationally financed HIV/AIDS programming.²¹

²¹ Macro International Inc., 2009 Page 4-1.

- For TB, a large part of the three-fold increase in global resource flows to tuberculosis since 2003 was due to Global Fund contributions.²²
- For malaria, the Global Fund until 2006 was by far the largest and sometimes the only donor.

The overall perspective of stakeholder interviews in 16 countries is that the Global Fund has not only added resources, but has also increased the potential pipeline for resources by magnifying the focus on the three diseases. There were some exceptions, but the vast majority of stakeholders assessed Global Fund grants as a net addition to the cumulative support of the national disease programs.

For HIV, in the 18 SA3 countries, cumulative funding from all sources during 2003-06 amounted to about US\$2.9 billion, or about 15 percent of the global total. The overall annual levels increased within this period some threefold, from US\$350 million in 2003 to US\$1 billion in 2006. The Global Fund disbursed US\$556 million to the 18 evaluation study countries during this period (18 percent of the total) and was the largest donor in five of the countries. PEPFAR funded 28 percent of this amount and is a larger donor than the Global Fund in six of its focus countries and seven other countries in the evaluation study.

Levels of per capita HIV funding have increased in all evaluation study countries, but at a markedly different pace between countries. There are countries that receive considerably more per capita funding than others with similar epidemic and regional characteristics, including Zambia (US\$11 per capita per year), Rwanda (US\$6), and Haiti (US\$5). There are also countries where funding increases were relatively slower, such as large population countries including Ethiopia (US\$1.3) and the Democratic Republic of the Congo (US\$0.5). The widely differing levels of per capita funding for HIV services suggest that scale-up is being done more effectively in some countries than in others.

For TB, US\$ 215 million was disbursed overall by the major funders to the 18 evaluation study countries during the 2003-06 period, with 61 percent coming from the Global Fund. The Global Fund is the key external funder for TB in most of the SA3 countries and non-existent in others. Comparing expenditures on TB during this period showed an increase in 15 of the evaluation study countries. Levels of per capita TB funding at the end of this period were well below US\$1 per person at risk for all countries except for Mozambique (US\$1.70).

For malaria, international funding increased rapidly from less than US\$50 million in 2003 to over US\$700 million by 2006, with the Global Fund playing a major role, especially in the earlier years of scaling up. The 15 countries with external funding for malaria received US\$435 million during 2003-06, of which 76 percent came from the Global Fund. Within the same period, commitments from the three biggest donors increased more than five-fold for the 11 evaluation study countries with endemic malaria in sub-Saharan Africa. Countries that received the highest amounts of external funding per person at risk during this period were Rwanda (US\$9 per person at risk), Zambia (US\$4.5), Burundi (US\$4.4) and Ethiopia (US\$2.2). Several endemic countries received less than US\$1 per person at risk over the four-year period, including Burkina Faso, DR Congo and

²² Ibid, Page 4-4.

Malawi. By the end of the period, Global Fund disbursements represented 100 percent of international resources in 10 of the 14 SA3 countries with malaria funding data. In the remaining 4 countries, the Global Fund accounted for between 62 and 92 percent of total disbursement by major external donors (World Bank, U.S. government, and Global Fund).

Country-level additionality can only be assessed with any confidence from the four countries where National Health Accounts provide measurements in 2003 and 2006. Additionality was assessed in terms of government expenditures and donor funding. While there was no strong evidence of violation of 'non-additionality' in the four countries assessed, there were slight decreases in domestic funding in the case of HIV and TB budgets (Malawi and Zambia, respectively).

There is cause for concern regarding sustainability of the programs despite the increased availability of global financing for the three diseases. While overall funding for HIV/AIDS increased in the 2003-06 period, the new funds are increasingly from just international sources.

HIV has taken an increasing share of total health expenditures during the 2003-06 period in four of five countries studied in-depth. In six of the 18 countries, the HIV share of total health expenditures was more than 20 percent. Other studies have shown that the increase in HIV/AIDS spending as a percentage of total national health expenditures has increased dramatically, further increasing concerns regarding financial sustainability of current programs.²³ Country stakeholders expressed concern that, although it may be considered necessary as an "emergency response", the shift to more reliance on external funds threatens the potential sustainability of the disease control programs.

Country stakeholders also expressed sustainability concerns with respect to capacity building. Longer-term capacity investments were seen as critical to the sustainability of program achievements and were often called into question by respondents because of a perceived lack of alignment of Global Fund systems with country systems. Particular concern was expressed with regard to discordant salary scales that contributed to an internal "brain drain" from public to non-public sectors.

²³ Oomman N, Bernstein M and Rosenzweig S, October 2007, 'Following the Funding for HIV/AIDS: a comparative analysis of the funding practices of PEPFAR, the Global Fund, and World Bank MAP in Mozambique, Uganda, and Zambia', Center for Global Development, Washington DC.

Synthesis Finding 2: Collective efforts have resulted in increases in service availability, better coverage, and reduction of disease burden

Collective efforts are showing major changes in the availability and coverage of interventions. Although current data sources are not complete enough to measure disease impact, we can conclude from stepwise analysis that the increased funding is resulting in better availability and utilization of services which ultimately will have an impact on disease burden.

RECOMMENDATIONS

4. The Global Fund's business plan should increasingly differentiate its prevention and treatment approaches in specific countries based on the epidemiological profiles of AIDS, TB and malaria *and* the assessment of a country's capacity to execute its planned disease control programs.
5. The Global Fund should adjust its 'demand-driven model' and focus its resources on prevention and treatment strategies that utilize the most cost-effective interventions that are tailored to the type and local context of specific epidemics.
6. The Global Fund and its partners should continue to finance scale-up efforts, in particular for key malaria program interventions in light of the encouraging initial results from several countries and research.
7. Much higher priority on the strengthening and integration of health information systems required by countries to manage their programs and monitor impact. Specifically:
 - a. The Global Fund and partners should reorient investments from disease specific monitoring and evaluation (M&E) toward strengthening the country health information systems required to maximize data quality and use for decision-making.
 - b. Countries should be encouraged to increase investment in medium- to long-term capacity building for financial tracking, including through the incorporation of health expenditure data in their population-based surveys and the completion of periodic National Health Account exercises.
 - c. Countries should also be encouraged to emphasize the development of quality assurance mechanisms that can help to achieve urgently required financial oversight at the sub-recipient (SR) level.

HIV/AIDS

The number of sites delivering HIV interventions has increased dramatically in all evaluation countries this decade and especially since 2004. In most countries, the numbers of facilities that provide HIV testing and counselling or antiretroviral therapy have more than doubled between 2004 and 2007. Prevention of mother-to-child transmission of HIV/AIDS (PMTCT) is now offered in at least a quarter of health facilities, even though the number of sites is below one per 1,000 pregnant women in all countries, except Zambia (2.2 per 1,000). Virtually all countries would benefit from expanding services to make services more accessible to people in underserved areas.

Coverage of HIV testing and counselling has increased in every country between 2003/04 and 2006/07. However, coverage rates in SA3 countries remain very low, with only three countries having more than 15 percent of adults tested and counselled in the last year (Lesotho, Rwanda, and Tanzania).

Utilization of PMTCT among pregnant women has at least doubled since 2004 in most countries. While this is an impressive achievement, only three of 14 SA3 countries with a generalized epidemic reported over 50 percent of pregnant women tested and counselled. In only four countries were more than 35 percent of pregnant women with HIV receiving prophylaxis.

Antiretroviral therapy (ART) coverage has improved significantly in all evaluation countries. Countries with the most rapid increases in coverage between 2004 and 2007 are Rwanda, Tanzania, Zambia, Cambodia and Vietnam. Cambodia has the highest estimated coverage in 2007 (67 percent), followed by Benin, Haiti and Zambia (42 to 49 percent). Overall, women are more likely to seek treatment than men, and infected children are less likely to receive treatment than adults.

The wide array of other interventions aimed at prevention or care and support was assessed through record reviews and community surveys in selected countries. The effects of the large numbers of civil society organizations and multi-sectoral activities are difficult to gauge without specialized studies on intervention quality and coverage.

Based on household surveys, there is consistent evidence of modest decreases in higher-risk sexual behavior in the countries with two surveys within the last decade, with some of that preceding the scaling up of interventions. Reports from countries with concentrated epidemics show success in harm reduction activities such as needle distribution, condom distribution to female sex workers and blood screening.

The disease impact models estimate that in the 14 countries with a generalized epidemic, and during the scale up period 2003 to 2007 over 570,000 life years were added from the use of ART. In the same period, it was estimated that the number of infections averted due to PMTCT amounted to over 16,000.

TUBERCULOSIS

There was no clear trend in levels of access to TB services. Between 2003 and 2007, the number of facilities providing TB services per population increased by at least 10 percent in six of the evaluation study countries, decreased by at least 10 percent in one, and remained about the same in the other six of 13 countries that provided trend data. Benin and Burkina Faso, although still below the goal of at least 85 percent successful treatment outcomes, show 10 percent or greater improvement in successful outcomes since 2000. Several countries (Cambodia, Peru and Vietnam) have held steady with at least 85 percent of successful outcomes.

Direct measures of disease burden are uncommon in high-burden countries. TB mortality data are not available because no death registration systems exist, except in Moldova and Kyrgyzstan. TB population prevalence data were only available from one country (Cambodia in 2002) where the prevalence of smear-positive TB was three times higher than the observed case notification rate.

Such surveys with biological and clinical data collection are rarely conducted as they need very large sample sizes.

The number of deaths averted through directly observed treatment, short-course (DOTS) during 2003-06 in the 18 SA3 countries compared with a non-DOTS regime is estimated to range from nearly 150,000 to up to 700,000. The lower number is more likely closer to the true value and is based on a comparison between the estimated number of deaths based on reported treatment outcomes versus the estimated number deaths under non-DOTS treatment.

MALARIA

Malaria interventions appear to have had major impacts, particularly the use of insecticide treated bed nets (ITNs) and intermittent preventive treatment during pregnancy (IPTp). Indoor residual spraying and artemisinin-based combination therapy (ACT), due to low coverage, appear to have been less successful thus far.

The most dramatic and widespread improvements in malaria interventions have been observed in the household ownership and use rates for insecticide-treated bed nets. In all 10 countries in Africa with survey data from 2003 or earlier and for 2006-08 coverage of children sleeping under an ITN increased from well below 10 percent to, on average, one-fourth of children, ranging from a low of about 10 percent in Burkina Faso and Burundi to 56 percent in Rwanda

The second most successful scale-up of malaria interventions has been for IPTp, although limited to only some countries. Countries with trend data have shown increasing coverage, and three countries (Malawi, Tanzania, and Zambia) had coverage of 45, 57, and 63 percent, respectively, at the time of their most recent survey. Given that IPTp is a new intervention, the increased coverage in these three countries offers an impressive success story.

Indoor residual spraying is the intervention that varies the most among countries in the Evaluation, ranging from 3 to 36 percent.²⁴

The Evaluation also indicated very low levels of use of ACT thus far—5% or lower for all countries except Tanzania (20% in 2007) and Zambia (8-15% in 2004-2008)²⁵. This finding is the most perplexing, showing the least improvement in coverage of the four primary malaria interventions. Under-reporting of ACT use could contribute to the poor performance reporting issues where women do not know the type of antimalarial prescribed.

Modeling with the coverage of the interventions as the main input for 10 countries indicates that 124,842 child deaths were prevented by ITN and 6,299 by IPTp.²⁶

²⁴ Macro International Inc., 2009, pg. 7-13

²⁵ Ibid, pg. 7-21

²⁶ Ibid, pg. 7-28

Synthesis Finding 3: Health systems in most developing countries will need to be greatly strengthened if current levels of services are to be significantly expanded

The Global Fund has contributed to the rapid expansion of programming addressing HIV/AIDS, tuberculosis, and malaria in 136 countries through more than 550 grants. In doing so, it has helped to mobilize existing capacity in the most affected countries, perhaps to the limits reasonably achievable without further capacity development. Recent studies, including the Five-Year Evaluation, suggest that the Global Fund is contributing to strengthening health systems but also point to continued systems weaknesses in key areas. **Going forward**, the weaknesses of existing health systems critically limit the performance potential of the Global Fund. However, the increasing focus on health systems strengthening (HSS) among Global Fund partners presents a unique opportunity to collectively address these issues.

RECOMMENDATIONS

8. The Global Fund and partners should address the major gaps in basic health service availability and readiness—the minimum components for delivery of quality services such as basic infrastructure, staffing and supplies—as part and parcel of scaling-up against the three diseases. In particular, Global Fund grants for health systems strengthening should support overall country health sector strategic plans.
9. The Global Fund and its partners should together clarify, as a matter of urgency, an operational division of labor regarding the provision and financing of technical support for health systems strengthening. These efforts should take a longer-term perspective in delivering technical support. They should in particular support human resource capacity building over a horizon of five to ten years, in harmony with other global and regional initiatives.
10. The Global Fund Secretariat should develop and articulate a strategy that allows for a menu of investment approaches to increase the probability that grants will perform well. The assessment of management issues as part of the grant rating should include explicit linkage to whether grant technical support budgets are being used for necessary capacity-building measures. In particular, for countries with weak health systems and/or high disease burden, grants should either focus more on investing in long-term capacity building, or demonstrate partner contributions to capacity-building.
11. The Global Fund Secretariat should work with internationally-mandated technical partners, country counterparts, and in-country civil society and private sector partners to strengthen country surveillance and M&E systems, taking into account the needs of performance-based funding. In particular and in active collaboration with country-level partners, the Secretariat should systematically identify and address additional requirements for achieving adequate oversight at the sub-recipient level.

The Global Fund financed its first grants specifically focused on health systems strengthening in Round 5 for three countries, with only one country (Cambodia) receiving the funds by 2007. From Round 7, the Global Fund has encouraged, and now requires, countries to illustrate cross-cutting health systems interventions and activities in their proposal submissions. In 2008, the Global Fund cross-cutting funding for health systems strengthening has risen since the pre-HSS grant period of

2003-06. The Global Fund has estimated that significant amounts of its grants are allocated to key health systems elements (35 percent of about US\$4 billion of approved financing by 2008).²⁷

Study Area 2 used stakeholder interviews to assess perceived contributions of the Global Fund to systems strengthening in 16 countries. Study Area 2 also conducted statistical analyses of all Global Fund grants that had reached Phase 2 by January 2008 to assess how health systems factors are associated with grant performance. This information, combined with that from Study Area 3, provides the contextual health systems information in which the scale-up is occurring.

Study Area 3 used the district comprehensive assessments in seven countries to quantify gaps in essential health system components including infrastructure, medicines and equipment, financing, human resources, information and service delivery. Secondary data was analyzed in all 18 countries to assess trends in health service provision and coverage. Study Area 3 further examined these data to assess whether HIV services have scaled up disproportionately to other services. However, it is important to note the overall study limitations regarding the latter effort. The district comprehensive assessment provides mainly cross-sectional data, and therefore does not measure changes in health systems. Rather, it provides a baseline and diagnostic assessment of the current state of affairs. The collective findings on health systems must also be placed within a broader information context that includes a general dearth of both data and validated methods to assess health systems performance globally. The WHO conceptual framework that identifies the six building blocks of health systems is quite recent (2007),²⁸ and partnerships have been only recently mobilized to address the needs for harmonized indicators for monitoring and evaluating health systems strengthening contributions of health financing and interventions.²⁹

The increasing commitments of the Global Fund, GAVI Alliance, PEPFAR, Stop TB Partnership, Roll Back Malaria, and other disease-focused global health initiatives to health systems strengthening demonstrate acknowledgement of the need to accompany scale-up of stand-alone programs by broader health system strengthening. A recent WHO expert consultation on health systems and global health initiatives concluded that the increased resources through these initiatives have a range of mostly positive but sometimes negative “spillover” effects on the country capacity to address the broader health needs of the population.³⁰ The consultation also concluded that the time has come for a more systematic framework of active management, with a focus on creating synergies rather than on just mitigating potential adverse effects. These recent developments illustrate increasing demand for more and better assessment of health systems performance, but also an implicit recognition that necessary frameworks, data systems, and methods are not yet in place.

Within the limitations described, the Five-Year Evaluation found that health systems capacity is an important statistical predictor of grant performance. Health systems capacity was measured in

²⁷Final Report Study Area 3, pg 8-4. *Original Citation:* Atun R. Capacity development: using Global Fund grants to strengthen health systems. Presentation at the Global Partnerships Forum, December 8-10, Dakar, Senegal.

²⁸ WHO, *Everybody's Business: Strengthening Health Systems to Improve Health Outcomes: WHO's Framework for Action* (2007)

²⁹ International Health Partnership+, Health Metric Network

³⁰ WHO. 2008, *Maximizing positive synergies between health systems and Global Health Initiatives...* Report on the expert consultation on positive synergies between health systems and Global Health Initiatives, 24 July, WHO, Geneva. 29-30 May 2008.

Study Area 3 by the number of health care workers per 10,000 population, which was also used by WHO in 2006 to assess countries in crisis for human resources. The District Comprehensive Assessments (DCAs) identified very few, and only urban, areas that even approached the minimal level of 25 health workers per 10,000. Zambia had the highest concentration of health workers with only 11 per 10,000. The evidence from SA2 points strongly to a relationship between investment in human resources and improvement in grant performance. However, SA2 also found that Global Fund grants lack a strategic perspective on human resource needs or capacity building. Furthermore, country stakeholders from government and civil society reported that short-term project funding, such as that available through Global Fund grants, created a difficult context through which to address human resource capacity building.

The Evaluation also found that **high disease burden**, another constraint on limited health systems, was statistically associated with disbursement delays and poor Performance Update and Disbursement Review (PUDR) ratings, both indicators of ongoing grant implementation problems. In the early days of Global Fund grants, implementation bottlenecks were most often due to procurement problems and CCM capacity.

Study Area 3 found that essential commodities availability in health facilities is still inadequate in many districts. In some cases, scale-up may have further distorted the situation. For example, in five countries with district assessments, an HIV test is now more commonly available than a hemoglobin test. Basic essential drugs are not available in many facilities and drugs for chronic non-communicable diseases are especially poor in supply demonstrating that current capacity is not adequate to ensure basic drug supplies. There was limited access to basic laboratory tests, infection control amenities, basic diagnostic aids, and infrastructure in many health facilities in all countries. Rapid scaling-up appears to have both helped and hindered local procurement capacity development. On the one hand, increased training and technical assistance for procurement and supply management was provided. On the other hand, internationally accepted standards were not utilized, such as in allowing direct payment and use of procurement agents. Improved procurement and supply management capacities may contribute significantly to the scope for increasing coverage of interventions, both for AIDS, TB, and malaria, as well as for other conditions.

Overall health budgets have grown considerably and HIV/AIDS is now assigned a much greater share of the overall health budget than a few years ago. The accelerated implementation of AIDS, TB, and malaria interventions is reflected in greater training intensity and availability of guidelines for the three diseases than for maternal and child health (MCH) and other programs. However, the Five-Year Evaluation did not find evidence that the increase in international funds for HIV/AIDS, TB, and malaria has been achieved at the expense of resources being allocated to other interventions. In most countries the financial resource for child, maternal and neonatal health has grown during 2003-06, but only at half the pace of the growth of HIV/AIDS resources. Trends in coverage of MCH interventions show little evidence to date of a negative change, comparing data for 1995-2003 with data for 2004 and later. If current trends continue, however, the programmatic and health outcome effects of the slower rate of funding growth for MCH will need to be more closely monitored in the coming years.

The scale-up has had some positive effects on health information systems, which are now receiving more attention than before. There are improvements such as disease-specific household and facility surveys, disease surveillance, and improvements in clinical reporting for some interventions. In

general, though, much remains to be done to strengthen health information systems in ways that provide quality data and does not lead to undue fragmentation. Across the 16 SA2 countries, most in-country implementing partners recognized that the Global Fund's reporting requirements have simultaneously contributed to capacity building in the areas of financial management and M&E skills while creating additional burdens on limited capacity—the latter effect mostly due to poorly harmonized and aligned reporting requirements.

The Five-Year Evaluation found that Global Fund contributions to health systems strengthening were often limited by poorly harmonized and aligned reporting requirements, activities, and systems. The evaluation team did find cases of significant and positive contributions to individual capacities and systems, but these were largely specific to Global Fund grants, with little “diagonal” contribution to other systems being used in the fight against the three diseases, let alone to the health system beyond the three diseases. The findings regarding the harmonization and alignment barriers to health systems strengthening from the countries were echoed at the global level, where harmonization and alignment were often identified by global stakeholders as the most critical for maximizing the health systems strengthening effects of all sources of health financing.

The Five-Year Evaluation found that the lack of health systems capacity is a potentially powerful barrier to achieving impact, even if considered only in terms of human resources. In addition, Study Area 3 found that the scale-up of HIV services has primarily occurred thus far in districts with stronger health systems and higher levels of socioeconomic development—so it is likely that health system constraints will become increasingly important as services roll out to weaker districts in the future.

Synthesis Finding 4: The Global Fund has modeled equity in its guiding principles and organizational structure. However, much more needs to be done to reflect those efforts in grant performance.

The Global Fund, as an institution, has modeled equity in its organizational structure, through assuring the representation of women and marginalized populations at the level of the Board, Secretariat, and CCMs.³¹ The evaluation found no evidence of widening or narrowing gaps in coverage between disadvantaged groups and those who are better off. However, few systems have been put in place at the country level or through the Global Fund's own systems to monitor equity. The monitoring of gender, sexual minorities, urban-rural, wealth, education, and other types of equity as part of grant performance or impact assessment was identified as a major gap by this evaluation.

RECOMMENDATIONS

12. The Global Fund and its partners should ensure that in both applications for funding and country health information systems there is explicit inclusion of indicators for service quality and equity issues related to gender, sexual minorities, urban-rural, wealth, and education in order to more effectively monitor the access to services among vulnerable populations.
13. The Global Fund should integrate and highlight equity issues related to gender, sexual minorities, urban-rural, wealth, and education disparities in the development of its partnership strategies
14. The Global Fund Secretariat should collaborate closely with technical partners and country stakeholders to develop program strategies and build in-country capacities required to better identify and reach vulnerable populations.

At the country level, at least 10 percent of sub-recipients were found to be either woman-owned or operated, or to have a gender focus, across the three diseases (Table 3). The Evaluation found that in general, very little information on sub-recipients exists for the portfolio of Global Fund grants. Consequently it was not possible to further map SRs according to their competencies, activities or trends in relation to gender. These figures can, however, serve as a baseline for the Global Fund's strategic efforts in promoting gender equity in programming for the future.

³¹ Ryan, L. et al. 2007 1, pp 19, 55; Mookherji, S. et al. 2008, pp. 47-48.

Table 3: Gender equity in contracting for grant implementation: Analysis of Global Fund grant sub-recipients in 16 countries³²

Type of grant	HIV/AIDS		TB		Malaria		Total	
	N	%	N	%	N	%	N	%
Number of Sub-recipients	719	77	79	8	135	14	933	100
Types/Focus of SRs								
Owned, Managed, or Operated by Women	83	11	10	12	9	6	102	3
Gender Focus in Programming	95	13	4	5.06	18	13	117	4

The Global Fund has subscribed to the principle that grants should improve gender equity and target vulnerable groups³³. Although articulated as a Guiding Principle, the Board did not specifically address how gender equity would best be supported by Global Fund activities until November 2007. A strategy for ‘Gender Equality’ was developed during 2008³⁴ for review by the Policy and Strategy Committee (PSC) and consideration by the Board in 2009 at the 19th Board meeting. A gender specialist position now exists in the Secretariat to help strengthen the organization’s approach to this issue.

Grant performance monitoring and assessment has not yet been explicitly linked to any of the equity principles through the inclusion of indicators and targets disaggregated by gender or vulnerable group characteristics. Consequently, gender equity is not an explicit part of the grant performance assessment rubric, nor are gender-disaggregated indicators and targets included in the majority of grant agreements.

A review of grant proposals from the 16 countries participating in Study Area 2 showed that only 44 and 55 percent of grants had gender and vulnerable group indicators, respectively (Table 4). On average, there was only one gender-related indicator per grant. The majority of proposals (56 percent) were approved for funding without inclusion of a single gender-related indicator. A subsequent review of conditions precedent (CPs) revealed that none of the CPs assigned during grant negotiation required gender equity to be addressed by the grants.

³² All grant proposals approved as of November 2007, from 16 Study Area 2 countries: Burkina Faso, Cambodia, Ethiopia, Haiti, Honduras, Kenya, Kyrgyzstan, Malawi, Nepal, Nigeria, Peru, Tanzania, Uganda, Viet Nam, Yemen, Zambia

³³ The Global Fund 2001, *The Framework Document of the Global Fund to Fight AIDS, Tuberculosis, and Malaria*, The Global Fund, Geneva.

³⁴ Decision Point GF/B18/DP18: The Board approves “The Global Fund’s Strategy for Ensuring Gender Equality in the Response to HIV/AIDS, Tuberculosis and Malaria (“The Gender Equality Strategy”)” as set out in the Addendum to the Report of the Policy and Strategy Committee (GF/B18/4, Addendum).

Table 4: Analysis of Indicators for Gender, and Vulnerable Groups³⁵

Number of grants = 93	All Indicators	Gender Indicators	Vulnerable Groups Indicators
Number indicators in all grants	1430	92	129
Average number of indicators per grant	15.4	1.0	1.4
Percentage of all indicators per grant	100%	6%	9%
Percentage of grants with at least one relevant indicator		44%	55%

The Monitoring & Evaluation Toolkit does not yet include gender-specific indicators as options for selection by grant applicants, or gender disaggregation as a recommended monitoring tool. None of the top ten indicators for routine reporting address issues of gender equity or targeting of the poor; neither do any of the top ten indicators for medium-term outcome and impact. Across the three diseases, gender-disaggregated targets are listed as options only under TB impact indicators. Vulnerable groups (e.g., orphans, injecting drug users, the poor, pregnant women) are typically defined in terms of vulnerability to the disease or as a target group, but not in terms of general social or economic marginalization.

By not presenting indicator options for monitoring equity, it does not enter into performance assessments or decisions for funding continuation, and grant implementers are not held accountable for these aspects of service delivery.

As a consequence, disaggregated information, particularly gender-disaggregated data, was difficult to obtain at the country level to assess current inequities in service coverage. The district-level surveys conducted by Study Area 3 allowed for some examination of inequities by income, education, and, in the case of children, sex. The findings are summarized in Table 5 below.

³⁵ All grant proposals approved as of November 2007, from 16 Study Area 2 countries: Burkina Faso, Cambodia, Ethiopia, Haiti, Honduras, Kenya, Kyrgyzstan, Malawi, Nepal, Nigeria, Peru, Tanzania, Uganda, Viet Nam, Yemen, Zambia

Table 5: Equity in Coverage. Summary Results Comparing Coverage Levels for Selected HIV Interventions, Malaria Interventions and MCH Interventions by Socio-demographic Characteristics

	Education	Wealth	Residence	Sex
HIV interventions (1)	Women with higher education levels fare better than those with lower levels, in all countries.	Women from richer households fare better than those from poorer households, in all countries.	Women from urban areas fare better than those from rural areas, in all countries.	Not available (only women were interviewed).
Malaria interventions (2)	The association varies among countries. Education has a strongly positive association, particularly in Burkina (all indicators); the association is less strong in Haiti and negative for some indicators in Zambia.	Wealth has a positive association for seeking treatment for children or intermittent preventive treatment for pregnant women, but no association for sleeping under an insecticide-treated net for children or pregnant women.	Urban residence has a positive effect on seeking advice and treatment (all countries), children sleeping under an ITN, and pregnant women taking prophylaxis (Burkina Faso and Zambia), no association with pregnant women sleeping under ITN.	Boys are slightly favored for advice and treatment (all countries), and for sleeping under an ITN (Burkina Faso and Zambia).
MCH interventions (3)	Women with higher education are more likely to have a delivery assisted by a professional and seek care and treatment for a child, in all countries.	Wealth is indicative of higher MCH coverage for delivery assistance (all countries), and for seeking care and treatment for a child, except in Zambia.	Urban residence is strongly associated with all MCH indicators except for Zambia, where it is only positive for delivery assistance, but not for seeking care and treatment for a child.	Boys have the advantage in advice and treatment seeking for acute respiratory infection (ARI) symptoms across all countries; for other indicators there is no clear advantage either for girls and boys.

(1) HIV intervention indicators include percentage of women with a comprehensive knowledge about AIDS; the percentage of women who received results from the last HIV test taken in the past 12 months; percentage of women who gave birth in the last two years who were counseled, were offered and accepted an HIV test, and who received results; and percentage of young women age 15-24 who have been tested for HIV and received results in the past 12 months (Annex 8.2, Tables 8.2.a-8.2.d).

(2) Malaria intervention indicators include the percentage of children who slept under an ITN last night; among children under age five with fever, the percentage for whom advice or treatment was sought from a health facility or provider; the percentage of pregnant women age 15-49 who slept under an ITN last night; and the percentage of pregnant women who took 2+ doses of sulfadoxine-pyrimethamine/Fansidar (Annex 8.2, Tables 8.2.e-8.2.h). Unlike Burkina Faso and Zambia where almost the entire country is malaria endemic, mostly only the western border of Ethiopia is malaria endemic. Since only a small share of data collection occurred in malaria endemic regions of Ethiopia (see Annex 8.1), results for this country are not compared with the others.

(3) MCH intervention indicators include the percentage of births delivered by a skilled provider; the percentage of children age 12-23 months who received diphtheria toxoid, tetanus toxoid, and pertussis vaccine third dose; among children under age 5 with symptoms of ARI, the percentage for whom advice or treatment was sought from a health facility or provider; and among children under age 5 with diarrhea, the percentage for whom advice or treatment was sought from a health facility or provider (Annex 8.2, Tables 8.2.i-8.2.l).

It has been hypothesized that the emphasis on specific disease control programs has been at the expense of other health services with particular negative effects on disadvantaged groups. This was examined by Study Area 3 using the MCH coverage data, analyzed by education and wealth quintiles, from the District Comprehensive Assessment household surveys and other recent surveys in Burkina Faso, Haiti, Rwanda and Zambia. In general, there was no evidence of widening gaps in MCH coverage by income or education.

Within countries with concentrated HIV epidemics, the highest priority is most typically focused on groups whose behavior puts them at high risk of contracting and transmitting the disease. These groups are often referred to as most at-risk populations, or MARPs. MARPs for HIV mainly include female sex workers, intravenous drug users, and men who have sex with men. Other most at-risk groups include mobile populations such as truck drivers, labor migrants and the military.

Study Area 3 examined issues for MARPs in countries where the HIV epidemic was most concentrated: Cambodia, Kyrgyzstan, Moldova, Peru, and Vietnam. The basis for these observations was information from Country Evaluation Reports, Global Fund grants, and UNGASS financial reporting.

There are limited data on FSWs, but those that are available generally indicate high levels of reported condom use. Trend data are only available in Zambia, where reported condom use among sex workers along border and transportation routes was 82% at the last act (2006), compared with 93% in 2000 and 2003 Behavioral Surveillance Surveys.

In Cambodia, prevention programs reported high levels of exposure to interventions (HIV/AIDS education) among MSM by 2005 and for female sex workers considerably earlier. According to behavioral surveillance surveys in 2007, reported condom use at last act is well above 90% among sex workers and 87% among MSM. In Haiti, reported condom use among FSW in the capital city was 90%.

Typical estimates from antenatal care surveillance and population-based surveys do not adequately reflect prevalence of infection or intervention coverage among MARPs, so dedicated efforts must be made to monitor the relevant groups in each country. There are, however, important methodological challenges inherent in measuring intervention scale-up and coverage among MARPs, and the effect of these on disease burden, that are substantial challenges for researchers.

The story emerging from evaluation countries with a sharper focus on MARPs interventions is that although they may implement a diverse array of prevention strategies, the potential coverage and effects of these activities have not been quantified such that they permit a comparison of trends over time for comparable populations. While it is acknowledged that important efforts to accurately monitor high risk groups are being undertaken--and with some success as described in Country Impact Evaluation Reports--there remain challenges to improve accuracy, comparability, and availability of information for evaluation purposes. An important issue concerning the efficient use of routine data on high-risk populations is the need to avoid piecemeal data collection and to align a minimum set of information from multi-sectoral efforts, public and private, health and other sectors, with existing reporting streams.

Synthesis Finding 5: The Performance-Based Funding system has contributed to a focus on results. However, it continues to face considerable limitations at country and Secretariat levels.

The ‘focus on results’ has been evident at all levels of the Global Fund, contributing to a positive bias for action and an internal culture of accountability. However, performance-based financing, a key tenet within the Guiding Principles, has evolved into a complex and burdensome system that has thus far focused more on project inputs and outputs than on development outcomes, departing from the vision of an outcome-based model. Most importantly, there remain inadequate information system and monitoring and evaluation capacities in countries critically limiting the feasibility of the performance-based funding approach espoused by the Global Fund.

RECOMMENDATIONS

15. The Global Fund should urgently seek a more coordinated approach and the more systematic investment of partners to strengthen the country health information systems which are needed as the basis for monitoring overall progress, enabling performance based funding, and conducting ongoing evaluations.
16. The Global Fund should comprehensively examine its performance-based funding (PBF) objectives, policies, procedures, guidelines, and current functioning while reviewing the PBF experiences of other partners, most notably GAVI.
17. The Global Fund Secretariat should revise quality assurance guidelines to distinguish approaches among settings where existing data systems are or are not capable of providing the outcome-level information required for PBF. As a part of this exercise, the Global Fund should review the implications of weak data systems on the guidelines for the operations of the technical review panel and the LFAs.
18. The Global Fund should reaffirm its aspirations to PBF principles, while proposing more differentiated approaches to quality assurance that are capable of improving performance and accountability monitoring within existing capacity constraints in countries.

Performance-based financing is not unique to the Global Fund, though the size and scale at which the Fund has sought to implement it is unprecedented in the international health arena. A number of positive features of the system were identified through this Evaluation. However, it remains a work in progress, requiring attention to both the mechanics of how the system is implemented as well as the data in which it is grounded.

There are mixed and sometimes contradictory findings throughout the three study areas on the Global Fund’s performance-based financing system. In general, the Global Fund’s efforts were more favorably viewed from the global level than at country level.

Development partners participating in Study Area 2 attributed several benefits to the Global Fund’s emphasis on performance-based financing, particularly its transparency and focus on managing for results. At the same time, many countries found the system burdensome, rigid, and fixed exclusively on short-term outputs rather than on longer-term outcomes, results, and capacity building.

Overall, the Evaluation found that while the Global Fund's commitment to performance is clear, its PBF system has evolved in practice into a complex system that focuses primarily on short-term metrics addressing mainly project inputs and outputs as opposed to development outcomes and impacts. Further, while the system generates extensive data, it often fails to provide the key elements of information required to inform judgments on effectiveness. While the Global Fund has made efforts to improve the system, these efforts have had the unintended consequence of making the system more confusing at the level of implementation, contributing to inconsistent application of the model.

Across all three diseases, baseline data quality at country level remains an issue with serious implications for the validity and credibility of grant performance assessments. The Evaluation found important gaps in the quality of performance-based financing data, especially as it relates to baseline assessments and target setting. Encouragingly, the Evaluation also found that baseline data availability has been improving over time and that baseline estimates now exist for more than 70 percent of indicators.³⁶ However, reliable baseline data and credible targets were often absent at the time of project approval and the use of secondary baseline data is particularly problematic in countries where statistics are weak or absent. While the absence of credible statistics in countries is an issue confronted by all development actors, it represents a more serious challenge to the Global Fund's combined emphasis on country ownership and performance-based financing. The extent to which targets were adjusted following approval, especially for HIV grants, illustrates the need for much greater priority on primarily collected baseline data, or a mechanism to adjust targets as better information becomes available during project execution.

The lack of data at both national and sub-national levels also constrained efforts of the Five-Year Evaluation to evaluate the scaling-up of the response against the three diseases--and has important implications for building country capacity to measure the impact of their programs.

These issues are well recognized by the Global Fund Secretariat and many of its partners. The Fund has learned much from the application of its model over the past five years and has made several important adjustments, and others are envisaged. The inclusion of assessment criteria that include contextual factors is just one example. This continuous learning is noteworthy, given the inherent complexity of performance assessments in data-limited environments.

The Evaluation found that while most countries have had previous PBF experience in some form, the comprehensiveness and stringency of the Global Fund's approach is still something the majority of implementers were not accustomed to. The Evaluation found that many countries lack national and local data systems and that the data that informs grant applications is consequently inadequate. There were significant gaps in health data availability, quality, and comparability over time, between and within countries. The Health Metrics Network country health information system assessments indicate that country health information systems are characterized by poor planning, weak institutions and capacities, and insufficient donor coordination.

Lack of country capacity was highlighted by respondents in SA2 as a critical barrier to compliance with PBF requirements and, more broadly, to effective implementation. Many grant implementers,

³⁶ Mookherji, S. et al. 2008, pg. 77. *Original citation: Global Fund Secretariat, October 2007, soft performance indicators.*

especially CSOs at the SR level, drew attention to their own capacity limitations with respect to the scale of grants and the demands of the Global Fund's PBF requirements. In-country partners, regardless of their role in grant implementation, consistently expressed the need for more targeted, systematic capacity building for financial management and monitoring and evaluation at the SR level. The Evaluation also found that basing the Global Fund's PBF system largely on numeric output targets created unintended negative consequences, especially in terms of the quality of service provision. Implementers in more than half the SA2 countries reported that, on at least one occasion, they had sacrificed quality of implementation in order to achieve a quantitative numerical PBF output target.

The 16 in-country assessments carried out during Study Area 2 highlighted wider systemic problems in the overall development architecture. The increased demand for information by most development agencies, combined with a lack of strong country-led plans, has contributed to a perception in countries of being "overrun" by uncoordinated surveys, incompatible and poorly supported information technology solutions, different clinic-based reporting styles related to HIV/AIDS, and multiple demands for donor reports.

Fragmentation along disease lines has created problems of overlap and duplication at country-level. Surveys targeting the three diseases have been implemented in a poorly coordinated way by different donors. The rush to strengthen clinical-based reporting systems to address the long-term management of people on antiretroviral therapies has resulted in the introduction of multiple information technology solutions including electronic medical records, and a range of non-compatible hardware and software.

There has been an overall increase in data collection in countries for each of the three diseases, though information system strengthening has largely targeted HIV/AIDS. There have also been improvements in data collection through household surveys focusing on malaria and HIV indicators, often supported by bilateral partners. In some countries, there are also improvements in data collection on medical interventions such as antiretroviral treatment through paper-based or electronic recording and reporting systems. Perhaps reflecting the increased maturity of TB reporting compared with HIV/AIDS, there has been no major effort to strengthen tuberculosis reporting systems.

Notwithstanding widely-expressed commitments to the "three ones" for HIV/AIDS monitoring and evaluation, the on-the-ground practice on health information systems development has been characterized by fragmentation and reliance on ad hoc solutions for what are, in practice, systemic weaknesses. Development partners have generally focused on narrow performance measures rather than on a more systemic approach to filling data gaps, mainly investing in devising separate monitoring and evaluation strategies, seeking consensus around core indicators, and stepping up reporting requirements for countries.

Synthesis Finding 6: The Global Fund partnership model has opened spaces for the participation of a broad range of stakeholders. This progress notwithstanding, existing partnerships are largely based on good will and shared impact-level objectives rather than negotiated commitments or clearly articulated roles and responsibilities, and do not yet comprise a well functioning system for the delivery of global public goods.

The Global Fund continues to aspire to the partnership environment envisioned in its guiding principles, and has made considerable achievements, particularly with regard to representation of a diverse group of partners. At the level of the governance of the Global Fund, there has been unprecedented and largely successful participation of civil society, the private sector and other international development organizations in the Global Fund model. With some notable exceptions, however, little of this has yet translated into clearly defined, durable and formalized operational partnerships.

RECOMMENDATIONS

19. The Global Fund Board should reaffirm its commitment and reconsider its approach to institutional partnerships at the global level, clearly articulating its partnership priorities and the specific arrangements and agreements required to achieve its objectives.
20. The Global Fund Board should consider what efforts will be required to bring about agreed-upon, effective, and enforceable strategic divisions of labor between the Global Fund and the other main multilateral organizations involved in international health—in particular with the World Bank, UNAIDS, WHO, UNICEF, the Stop TB Partnership, and Roll Back Malaria—to fully capacitate the envisioned partnerships with civil society and the private sector. This should include as a first priority resolving the issues that impede the provision of essential technical assistance on a reliable and timely basis. It should also address larger, systemic issues needed for health systems strengthening.
21. The Global Fund Secretariat should work through with partners the carefully differentiated approaches it seeks in its various areas of work at global, regional and country level – defining in specific terms the institutional arrangements required to bring to bear the added value of particular partners at different stages of the grant life cycle.
22. The Global Fund Board, in consultation with the Secretariat, should ensure the structure, function and size of the Secretariat reflects its strategic role in a clearly defined partnership framework, distinguishing functions to be fulfilled by partners versus those to be fulfilled by the Secretariat.

The first line of the purpose statement of the Framework Document highlighted the founders' aspiration for partnership in the overall approach to the Global Fund: "The purpose of the Fund is to attract, manage and disburse additional resources through a new public-private partnership", and the term 'partner' or 'partnership' would appear an additional 40 times in the eight-page document. The Five-Year Evaluation found that despite considerable progress, the partnership priority envisioned is far from being realized.

The Global Fund's approach during its first five years more accurately reflects a 'friendship model' than a genuine 'partnership model.' Current institutional relationships involve exchanges and affirmations by committed institutions and individuals of deeply held convictions and common objectives. Few of these, however, have been transformed into durable, longer-term commitments grounded in negotiated and binding agreements of a programmatic or even of a strategic nature. In more operational terms, the Fund has become a largely stand-alone entity whose staff growth trajectory appears to be a consequence of the unwillingness of partners—or the unwillingness of the Fund—to seriously pursue the stated partnership objectives.

At the inter-institutional and international architecture levels, the partnership approach that has thus far emerged lacks a clear division of labor, clarity of roles and responsibilities, and effective collaboration among the key partners. It does not yet comprise a well-functioning system for the delivery of the essential global public goods, including the technical assistance required to effectively execute, monitor and evaluate the increasing number of programs in many countries.

PARTNER ENGAGEMENT

Study Area 1 reported that the Global Fund's Board structure and processes have set a new standard of inclusiveness in multilateral governance. They have achieved both broad participation and genuine power-sharing between key constituencies in the fight against HIV/AIDS, TB, and malaria including donors, developing and developed countries, the private sector, civil society organizations, and people living with these diseases. The active and mutually supportive policy dialogue these constituencies engage in at a global level, however, has not yet been translated into robust and durable operational partnerships.

PARTNERSHIPS WITH CIVIL SOCIETY ORGANIZATIONS

CSO involvement in global and country processes has been a priority for the Global Fund since its inception. This Evaluation found unequivocal achievements in including CSOs in processes intended to help scale up disease prevention and treatment efforts for HIV/AIDS, TB, and malaria through the creation of structures which enable their representation and participation.

Notwithstanding great strides, there remain different views on the limits and value of partnerships between CSOs and governments. For example, there exists skepticism on the part of some CSOs about how closely they should partner with government, and to what extent this may undermine their obligation to counter-balance government perspectives³⁷. At the same time, there is also skepticism on the part of some governments about the benefits and costs of CSO collaboration and of sharing the levers of governance with CSOs.

PARTNERSHIPS WITH THE PRIVATE SECTOR

At both the global and country levels, the Evaluation found consistent weaknesses, problems, and barriers in partnerships with the private sector. The Five-Year Evaluation examined private sector partnerships for resource mobilization at the global level primarily through Study Area 1, and

³⁷ Mookherji, S. et al. 2008, pages 56-58

focused on private sector partnership arrangements at the Secretariat level and involvement at the country level through Study Area 2. The full potential of private sector contributions to the fight against AIDS, tuberculosis and malaria has not yet been realized.³⁸ The assessments point to engagements with the corporate sector at the global level that is insufficiently consultative and largely ineffective. While structures for private sector representation have been created (e.g., on the Board, focal point in the Secretariat), interviews with representatives from the Global Fund's private sector delegation, multi-national corporations, and Secretariat staff highlight an essential disconnect between Global Fund and corporate leadership views and strategies. This disconnect was most pronounced in the Global Fund's resource mobilization strategy, where with the notable exception of recent improvements in consumer marketing initiatives, there has been little growth in recent years.

Private sector stakeholders and Secretariat representatives have both suggested the need for a clearer definition of 'private sector' that is more precise than 'non-public sector'; expanded perspectives within Global Fund leadership on the role of the private sector; and an effective engagement strategy between the Secretariat and private sector leadership that would include deeper consultation with key corporate stakeholders. Currently, the Global Fund's approach is viewed as not effectively engaging the corporate sector. There remains a perception within the private sector that the Global Fund's assessment of private sector capacity and resources to support the Global Fund's agenda is limited to cash contributions, without sufficient recognition of in-kind support or capacity to leverage resources through co-investment.

PARTNERSHIPS WITHIN THE INTERNATIONAL HEALTH SYSTEM

The Five-Year Evaluation found that effective operational partnerships between the Global Fund and other international organizations in the international health system are largely absent. Though there are different views on why that is the case, the findings reaffirm similar conclusions from several other studies.³⁹

There are a full range of plausible explanations. One hypothesis posits that the various entities making up the international health system—especially the UN System of organizations—were unwilling or incapable of supporting the Global Fund's development. Further, that good faith partnership effort on the part of the Global Fund Secretariat was met with the intransigence of entrenched international bureaucracy, obliging the Secretariat to battle its way free on its own to achieve the mission's objectives.

Another hypothesis posits that the newly formed Secretariat either didn't understand the capacities available to it in the international system, or deliberately chose to avoid engagement, especially with UN System partners. Further, that the Secretariat interpreted the guidance "to be new and innovative" from the Board--and some donor countries in particular—as encouraging a forward

³⁸ The Global Fund, 2006, *Report of the Global Fund Partnership Forum 2006: Celebrating Successes and Overcoming Challenges*, compiled by Dr. Mandeep Dhaliwal, 2-3 July, Global Fund, Durban, Page 5.

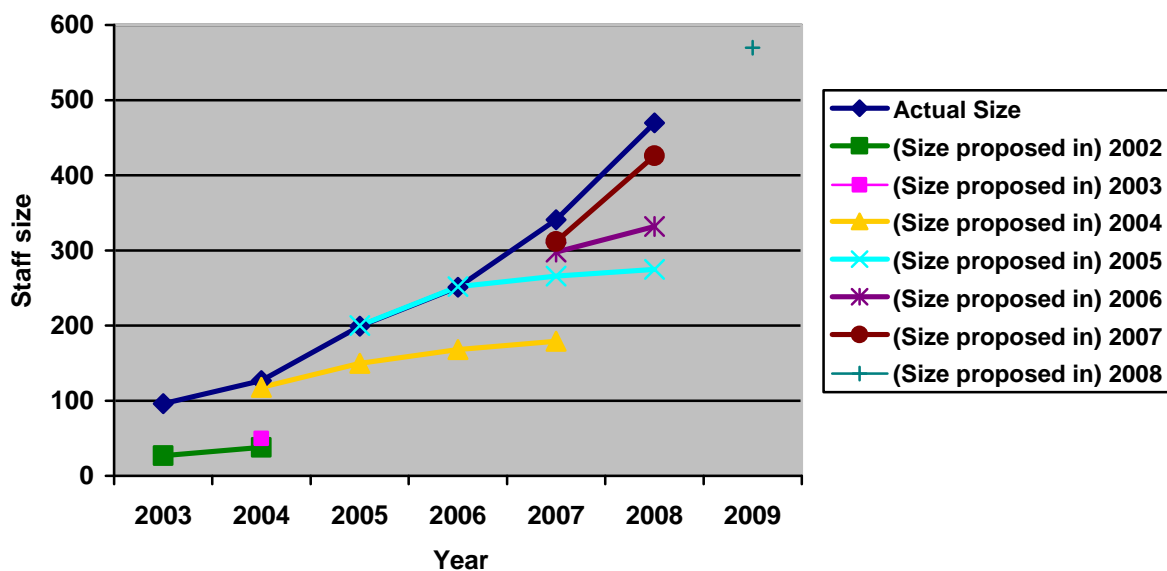
³⁹ Shakow A 2006, *Global Fund and World Bank HIV/AIDS Programs: A Comparative Advantage Study*, prepared for the Global Fund to Fight AIDS, Tuberculosis and Malaria and the World Bank HIV/AIDS Program, 19 January, <<http://siteresources.worldbank.org/INT/HIVAIDS/Resources/375798-1103037153392/GFWBReportFinalVersion.pdf>>.

leaning approach toward the private sector and away from partnerships with the UN System. “We are not the UN” was among the most frequent statements about the Global Fund identity made by board members interviewed for the Study Area 1 governance assessment.⁴⁰

Whatever the mix of rationales, the failure of partnership reflects a failure of governance in the Global Fund Board and in the broader international system more than a failure of any particular partner. One striking consequence has been the dramatic growth of the Secretariat. In the first several years of the Fund, the staff size at any time was a third to twice the size planned a year or two previously (Figure 3). Rather than addressing the tensions in the Global Fund’s guiding principles and affirming the primacy of the partnership model it initially subscribed to, the Global Fund Board defaulted to a 50 percent per year increase in staffing, reflecting either excessive growth or unrealistic planning.

The growth process began within six months of the establishment of the Secretariat, in part rationalized by the failure of the Secretariat and the World Bank to conclude a timely ‘Phase 2’ or ‘enhanced fiduciary’ agreement. Absent clear policy intent⁴¹ and despite concerns expressed by some members of the Board, the Secretariat took the path of contracting out in-country fiduciary functions and hiring in additional program oversight capacities, rather than partnering with other international entities. What followed was a continuous cycle of Global Fund hiring in Geneva to catch up with the oversight requirements of the Fund’s expanding portfolio, with the Secretariat to take on functions that arguably other partners were in a better position to execute on the Global Fund’s behalf.

Figure 3: Proposed and Actual Staff Size, Global Fund, 2002-2009



⁴⁰ Ryan, L. et al. 2007.

⁴¹ EuroHealth Group 2007, *The Global Fund to Fight AIDS, Tuberculosis and Malaria: Evaluation of the Local Fund Agent System*, EuroHealth Group, Denmark, Page V.

Study Area 2 found that, at the global level, much of the claims of the Fund’s partnership strengths remain aspirational and that much remains to be done to convert aspirations into functional realities. Unsystematic coordination between the Fund and the international technical and development agencies has created critical gaps resulting in missed opportunities for funding, early identification of implementation problems, and lack of capacity in-country. A more coherent effort is required to address the diverse expectations about the essential support countries need to receive, about which partners are expected to meet them, and about the financing sources and conditions for providing that support.

The Global Fund and its major international partners have yet to develop partnership agreements that will enable them to form a coherent system for delivering global public health goods—in particular for efforts related to technical assistance and health systems strengthening. If the Global Fund is going to be in a position to scale-up disbursements to the levels it envisages, these mainly undifferentiated arrangements at the global level will need to be explicitly structured.

TECHNICAL ASSISTANCE MECHANISMS

Technical assistance is urgently required to effectively execute, monitor, and evaluate the increasing number of programs in many countries. Study Area 2 observed that, some examples of innovative and successful technical assistance notwithstanding, *functional systems* to provide effective TA are not yet in place. The Evaluation also found a completely inadequate global partnership framework for the provision of essential technical assistance in support of the implementation of Global Fund grants.

The TA systems are not functional largely because essential arrangements and mechanisms that secure and provide quality demand-driven technical assistance have not been fully established. This systemic weakness results in unnecessary costs in terms of efficiency and effectiveness of technical support provision. This Evaluation identified a broad set of problems, inconsistencies, and confusions regarding technical assistance, at both the global and country levels, some of which are common to development aid in general, and others of which are specific to the Global Fund.

At the global level, the Global Fund has not sufficiently supported the clarification of responsibilities, roles, and financing sources of the different partners that support Global Fund grants in-country, although disparate pieces have been put in place. Significant attention has not yet been accorded to programming technical assistance for medium-term capacity building. This lack of clarity and coordination is contributing to a perceived problem of “unfunded mandates” among technical partners who have much to do to systematically mobilize themselves to provide technical assistance to Global Fund grants, as the Stop TB Partnership has successfully demonstrated.

Notwithstanding previous policy statements, there remains confusion among some donors as to whether and where they should directly finance Global Fund-related TA efforts of global technical partners. Some believe they have already provided such support in their contribution to the Global Fund. Additionally, many technical partners remain unclear whether the Global Fund might still consider direct funding of their TA activities. A lack of a clear determination on this matter contributes to a stalemate in the provision of the technical assistance required to support country efforts addressing the three diseases.

The Evaluation also found widespread country-level confusion about Global Fund guidelines and policies regarding the funding of TA. The Evaluation also found limited capacity at the local level to identify and articulate TA needs and to identify quality sources of TA. This capacity limitation in turn contributes to the under-spending of grant budgets for technical assistance.

Synthesis Finding 7: As the core partnership mechanism at the country level, CCMs have been successful in mobilizing partners for submission of proposals. However, in the countries studied, their grant oversight, monitoring, and technical assistance mobilization roles remain unclear and substantially unexecuted. The CCMs' future role in these areas and in promoting country ownership is in need of review.

The defining features of Global Fund country-level partnerships over its first five years have rested on the CCM model and its significant variations in different country contexts. The Five-Year Evaluation found that among a diversity of partners and countries, the CCM model was clearly perceived as one of the most positive contributions of the Global Fund, especially in the sense that it has spawned a range of partnerships with governments, international and local NGOs, faith-based organizations, the private sector, and organizations of persons living with HIV/AIDS. At the same time, it found that CCMs are still largely perceived as Global Fund entities rather than mechanisms for promoting country ownership, and that there is still much work to be done if they are to fully execute the functions of facilitating greater country ownership, coordination, accountability, and partnership.

RECOMMENDATIONS

23. The Global Fund should place greater emphasis on the 'CCM Function' rather than the 'CCM entity'.
24. In the majority of cases where the CCMs are not providing ongoing oversight and monitoring functions, the Global Fund should strengthen CCM capacities and/or focus their efforts more exclusively in the domain of proposal development and submission.
25. The Global Fund should work with partners and country counterparts to incorporate the CCM functions into other 'CCM-like mechanisms' within existing country-level architecture for coordination and planning in the health and social sectors, particularly where the Global Fund is funding national strategies and/or seeking to support health systems strengthening efforts. In doing so, the Global Fund should be diligent in ensuring that the principles of transparency and inclusion—in particular with respect to CSO and private sector in-country partners—are maintained.
26. As an essential measure to assure functional partnerships at the country level, the Global Fund Board should designate in-country representation through explicit institutional partnership arrangements with international partners or—as a last resort—through the direct placement of Global Fund staff representatives.
27. The Global Fund and its partners should take steps to increase the inclusion of in-country CSO and private sector partners in country program efforts. The Global Fund, in particular should:
 - a. work with country counterparts and international partners to share effective models for increased participation and strengthening of CSO and private sector efforts across development actors and between countries.
 - b. continue to advocate with host governments for increased CSO and private sector participation in the CCM-Function.

The original intent of CCMs as presented in the Global Fund's Framework Document was to enable diverse representation, facilitate coordination, and enable differentiation of the Global Fund financing channels. Since then, the CCM has become the Global Fund's defining feature of country-level partnership, and the primary mechanism for supporting country ownership. The CCM has been accorded increasing primacy over time, and is now seen not only as the key country multi-stakeholder entity that shapes the quality of grant implementation, but also as a central feature of the Global Fund architecture, one that plays a role in the democratization of health.⁴²

However, SA2 found that the CCM was most often seen as a Global Fund entity rather than a mechanism for promoting country ownership. In some countries, Study Area 2 found that the CCM had integrated itself into a national body (Tanzania) or structured itself to take a lead role in providing oversight support to Global Fund grants (Peru). However, the majority of in-country stakeholders interviewed stated that the CCM was created to meet Global Fund requirements, and that CCMs duplicated to varying degrees pre-existing national coordination mechanisms. This was due largely to the fact the Global Fund's call for proposals required that proposals be submitted through a Country Coordination Mechanism, and that in most countries:

- No single preexisting body included all the three diseases;
- Most preexisting bodies did not include CSOs and the private sector;
- There was not sufficient time to merge or further develop any pre-existing bodies to meet Global Fund requirements.

The predominant view at the country level was that, however useful CCMs might be, they would cease to exist if Global Fund financing were to be withdrawn.

Despite the important gains in institutional development that have been noted for CCMs, in many countries they continue to fall short of expectations and requirements for effectiveness in achieving greater country ownership, coordination, accountability, and partnership. The future challenge of CCMs lies in how to preserve the important contribution they have made in expanding the range of stakeholders with a voice in the development process, while increasingly integrating their functions into national bodies and thus promoting country ownership.

While there is evidence of progress in attaining some of these CCM outcomes, the picture is mixed and complex. The 2004 case studies of 20 CCMs emphasized an array of negatives, including the speed with which they were set up to meet proposal submission requirements, and inadequate representation. The 2008 report on CCMs indicates much progress since then, though the language of the report is cautious, noting a range of continuing problems including obstacles to Civil Society participation, lack of clarity on the CCM oversight role, and that "the importance of the LFA role often is misunderstood by CCMs."

Stakeholders, including donor partners, acknowledge that countries themselves, and especially their governments, should be increasingly accountable for sound stewardship, effective technical

⁴² The Global Fund 2008, *Lessons learned in the field for health financing and governance: A report on the country coordinating mechanism model*, Global Fund, Geneva.

oversight, and leadership. However, as the size of disbursements and support from the Global Fund for national strategies increase, there is little consensus about whether the CCM is the appropriate mechanism to achieve this. Even in countries where integrating CCMs within sustainable national structures or strengthening disease control oversight capacity was seen as desirable, it was often simultaneously seen in-country as politically impossible. Study Area 2 found many cases where CCM partnerships needed to overcome historically difficult relationships between public sector and private sector, donors, and civil society that may have been confrontational or marked with mistrust. This was especially true for sectors that had traditionally not worked with national disease control efforts, such as community-based organizations and affected communities. In these cases, factors preventing active engagement and participation of non-government CCM members are mostly beyond the direct influence of the Global Fund.

The participation of civil society and the private sector is highly variable, in part due to the lack of a common view of the role of the partners in national processes beyond the proposal submission stage, limited political space for participation in some countries, and limited capacity of civil society and the Private Sector in associations to sustain active participation in national processes.

GRANT OVERSIGHT IN COUNTRY

The Five-Year Evaluation found that the Global Fund’s policies regarding country-level oversight responsibilities often required capacities that did not exist. For example, the Fund’s expectation that CCMs could coordinate with PRs and work with partners and the Global Fund Secretariat to identify grant implementation bottlenecks, as well as types of technical support needed, is rarely met. PRs were often constrained in their capacity to manage numerous and diverse SRs and sub-sub-recipients (SSRs), tempering the expectation that they could provide adequate oversight of on-the-ground implementers. Without significant enhancement of their capacities, CCMs and PRs are unlikely to be able to take on the roles in grant oversight that the Global Fund currently expects of them. The overarching finding from Study Area 2 was that the CCMs are largely ill-equipped—in terms of resources, capacity, and political will—to either take on or coordinate the myriad functions required for adequate grant oversight and management.

CCMs were overwhelmingly viewed by stakeholders and partners as political rather than technical bodies, often because CCM members are not those with technical or field knowledge. Grant implementers rarely believed that a “political” structure such as the CCM had an appreciable role to play in grant oversight or management. Grant implementing partners in half of the SA2 countries⁴³ understood that the CCM was for proposal development, not grant management or oversight.

The Evaluation found that the roles of key factors responsible for management and oversight of grant implementation at the country level have changed and developed rapidly over the short lifespan of the Global Fund. After six years, there are now both gaps and overlaps in the responsibilities between CCMs, LFAs, PRs, and SRs that are impeding the efficient operation of the overall partnership model, and possibly adversely affecting grant oversight and management. These inefficiencies are largely due to the need for further clarification of partner roles and responsibilities. While de facto partnerships between the Global Fund and its SRs appear to constitute the main

⁴³ Countries included: Cambodia, Ethiopia, Haiti, Nepal, Tanzania, Vietnam, Yemen, Zambia.

executing channel for Global Fund grants, Study Area 2 found that the Fund’s operating model of reporting, monitoring, measurement of outputs and outcomes, and instruments for accountability do not function systematically or well at the SR level. Accountable partnership arrangements do not yet exist between SRs and the PRs, the LFAs, the CCMs, and the Geneva Secretariat.

COUNTRY-LEVEL ENGAGEMENT WITH CSOS

The Five-Year Evaluation found that the CCM model has enabled CSOs and affected communities to participate directly in country activities, thereby reducing stigma and raising the visibility of the diseases. However, constraints remain to CSO participation, ranging from government reluctance to share policy ‘space’, to the sheer number and diversity of CSOs in countries which requires a more nuanced view of what constitutes ‘successful CSO participation’.

For example, SA2 found that grassroots groups closest to the beneficiary population typically advocated for multi-sectoral interventions that addressed basic human needs and root causes of the three diseases, while Ministries of Health valued disease-specific drugs and commodities and facility-based training.

Given the broad definition of civil society that includes all constituencies outside of government and the various forms taken by civil society in different countries, it is not surprising to find that the organization of new partnerships between government and civil society are emerging and developing slowly. These civil society groups are often only marginally connected and organized within their own constituencies, often with no mandate or connection between groups. Many groups have had no previous connection with government outside of their own organizational mandate.

The CSO–government partnership is still in an early form in some countries, and requires nurturing. Although the target of 40 percent CSO representation in CCMs has been achieved or exceeded in most countries, most CSO members interviewed for Study Area 2 still view the CCM as a more “government-owned or Ministry of Health-led” than a “country-owned or driven” process. CCM members all recognized the political dimension of the CCM’s actions, which led some non-government sector members to be cautious of actively participating in decision-making. While CSOs supported greater engagement, they favored a “dual financing system” that would enable the CSOs and the government to work together in parallel according to plans agreed upon at the CCM level, but each within an organizational system and environment that was a better fit to its particular organizational needs and competencies.

COUNTRY-LEVEL ENGAGEMENT WITH THE PRIVATE SECTOR

Private sector involvement at the country level was defined variously as: CCM participation, taking on implementation roles in Global Fund grants, or other types of collaboration that contributed to the fight against the three diseases.

SA2 found that partnerships with the private sector at country level are weak at best. Private Sector representation on CCMs is minimal, and resource mobilization or co-investment examples were rare. Interviewees reported that communications with the corporate sector are ineffective and without sufficient consultation with principal stakeholders. Although CCMs recognized the

potential benefits of increased private sector involvement, they were often at a loss as to how to proceed. Most Secretariat efforts to support and promote the co-investment process have not yet met with success. Although there is a team of facilitators to forge co-investment opportunities between the public and private sectors, co-investment at the country level is estimated at a maximum of 10 to 15 companies across the entire Global Fund portfolio.⁴⁴

The Evaluation found numerous examples of private sector engagement as implementing partners. Private sector companies are sub-recipients in three SA2 countries and the PR for three grants in one country. In several areas, private entities have been engaged as distributors for commodities (notably for malaria ITNs), indicating the potential for engagement of the private sector for other efforts. However, the Evaluation found that while the private sector contributes in some form to disease control efforts in most of the SA2 countries, it does not do so through Global Fund grant activities or partnerships. None of the SA2 countries had a strategy for engaging the private sector, which was reflected in the finding that SA2 respondents reported virtually no successful examples of private sector resource mobilization in countries.

Assessing private sector engagement through CCM membership was not straightforward. Private sector participation in the CCM is documented for only 28 of the 113⁴⁵ countries in the Global Fund portfolio. Among the explanations for the lack of partnership with the private sector at country level was the general perception among the private sector respondents from SA2 that CCMs are dominated by the public sector and unwelcoming of private sector participation. In addition, many private sector organizations were wary of financing or participating in activities that were led by the government, or CSOs, because of a lack of trust. Private sector respondents expressed concern over the complexity, and the perceived resulting lack of transparency of the Global Fund grant application and award processes that served as substantial deterrents to potential private sector participation at the country level.

⁴⁴ Mookherji, L. et al. 2008, pg. 61.

⁴⁵ Ibid, pg. 63.

Synthesis Finding 8: The lack of a robust risk management strategy during its first five years of operation has lessened the Global Fund’s organizational efficiencies and weakened certain conditions for the effectiveness of its investment model. The recent work to develop a comprehensive, corporate-wide risk management strategy is a necessary step for the Global Fund’s future.

The Global Fund does not yet have a strategy for organization-wide risk management, which sets, at the level of governance, the boundaries of responsible risk taking, the explicit acceptance of levels of risk as integral to the purposes of the Global Fund, the conditions for its effectiveness, and finally, an objective and rigorous examination of the costs of risk avoidance. Development of such a strategy is critical for good governance, in particular because the Global Fund is exposed to an especially wide range of risks, including financial, operational, organizational, and political. Additional risk emerges through the Global Fund’s core business model of working almost exclusively through partnerships, which requires a revised approach to risk management than it practices to date. One immediate challenge for the Global Fund is to improve operational efficiency to disburse significantly more resources without dramatically increasing the number of staff. A risk management approach is required to segment grants by risk, to streamline certain processes and more efficiently allocate grant management resources, mitigating the need for additional staff in proportion to the increase in funding.

RECOMMENDATIONS

28. The Global Fund should urgently complete its development of a risk management framework, beginning with the development of a risk register within the Secretariat, which makes risk management activities integral components of strategic and corporate planning, operations and decision making.
29. The Global Fund Secretariat should utilize the parameters associated with risk of poor grant performance—financial, organizational, operational and political—to determine how resources should be mobilized in support of performance, either by the Secretariat or by in-country partners.

LACK OF A STRATEGIC, PROACTIVE APPROACH TO MANAGING EXPECTED RISKS

As it works to finance the global response to the three epidemics with approved funding of US\$11.4 billion (2008) for more than 550 programs in 136 countries, the Global Fund is exposed to a wide range of financial, operational, organizational, and political risks. Specific areas of risk for the Global Fund and its partners were identified across all study areas of the Five-Year Evaluation—from poor information systems at the country level (SA3), to lack of SR oversight in program implementation (SA2), to issues relating to the size and scope of the Secretariat and its relationship to the Board (SA1).

Although the Fund's core business model of operating almost exclusively through partnerships multiplies its exposure to risk, other international organizations, both public and private, share many of the same risks. Due to the complexity of working to overcome national and global development challenges, it is not surprising that uncertainty is inherent in the work of the Global Fund and its partners. Because of the risks involved in health and development work, organization-wide risk management strategies (usually referred to as Enterprise Risk Management, or ERM⁴⁶) have become a benchmark of sound governance for such organizations⁴⁷. Although the Global Fund is, in many ways, a different institution from other development organizations, this does not lessen its need for an organization-wide risk management strategy. The Global Fund's unique business model in particular demands a proactive approach to risk management.

The Global Fund has yet to develop such a framework. SA1 found, for example, that development of a basic risk register (a key ingredient for any ERM) for Global Fund operations still remained a work in progress. As noted in the final SA1 report, "The absence of such a tool limits the necessary differentiation between negligible risk areas and very high risk areas".⁴⁸ SA1 staff interviews, focus groups and the results of annual staff surveys further support the conclusion that the Global Fund's "culture of excessive risk mitigation (has contributed to) poor communication and coordination, a sense by staff of being overworked and lacking a cohesive vision for the long-term objectives of their positions, and adversarial relations between Global Fund units"⁴⁹.

This key finding agreed with other studies of the Global Fund's organizational efficiency and effectiveness. In May 2007, the United States Government Accounting Office reported that: "Although the Global Fund's grant oversight incorporates several elements of risk management, the absence of a risk assessment model limits its ability to respond methodically to (risks)⁵⁰. The Booz-Allan-Hamilton study⁵¹ reported that: "...there is no systematic and comprehensive risk management approach across the organization. There is also no system wide risk assessment tool for grants to help guide allocations of resources from both Secretariat and LFA....(This) results in unevenness across different Units, reinforces an organizational culture of risk avoidance rather than proactive risk management, and creates unnecessary exposure to risks not included in individual

⁴⁶ ERM strategies involve integrated systems that assess, monitor and report on risks and that mitigate them to levels that are acceptable and cost-effective. ERM is entirely distinct from the simple "variance-minimization" models of financial reporting that previously dominated corporate practice and academic discussions. The primary goal of ERM is not to eliminate variances in performance. To the contrary, ERM assumes that variances are inevitable and that effectiveness in dealing with risks requires focusing on those risks that could inflict major damage on institutional soundness and credibility.

⁴⁷ For example, multilateral development banks such as the World Bank and the African Development Bank have sought to embed risk management principles and instruments into all corporate activities, including strategy formulation, policy development, program planning, financial management and operations. ERM is also becoming mandated practice across the United Nations system, and has been recently undertaken by the International Fund for Agricultural Development (IFAD).

⁴⁸ Ryan, L. et al. 2007.

⁴⁹ Ibid, page 63.

⁵⁰ United States Government Accountability Office 2007, *Global Fund to Fight AIDS, Tuberculosis and Malaria has Improved Documentation of Funding Decisions but Needs Standardized Oversight Expectations and Assessments*, Report GAO 07-627, United States Government, Washington DC, page 20.

⁵¹ Booz Allen Hamilton 2007, *Organization and Management Review of the Global Fund*, 7 December, Booz Allen Hamilton, page 46.

calculations...The Global Fund must develop and implement a risk management framework to...protect the reputation and continuing viability of the organization.”⁵² The report further stated that a risk averse institutional culture had been steadily developing in the Global Fund. Such a culture is essentially incompatible with the requirements of an effective ERM system, which requires responsible risk taking and open, transparent communications.

The Board of the Global Fund recognized these shortcomings and the need to develop an ERM system at its meeting of April 2007. It called for “a continuous proactive and systematic process to understand, manage and communicate risk from an organization-wide perspective.” The Board also considered an operational risk management framework comprising the types, sources, nature, and controllability of potential risks. In May 2009, the Secretariat will present a full corporate risk management paper to the Board.

POTENTIAL RISKS IDENTIFIED BY THE FIVE-YEAR EVALUATION

Potential, and often probable, areas of risk for the Global Fund and its partners--including financial, organizational, operational, and political--were identified across all study areas of the Five-Year Evaluation.

Financial Risks: The greatest risk to a financing-only institution such as the Global Fund, which does not maintain a country presence, and outsources the financial oversight of its grants at country level, is various forms of misuse of funds at the country level, including corruption, misappropriation, and gross dereliction of financial management. Some of the factors identified by the Evaluation as contributing to these probable risks are:

- The Global Fund is not able to directly monitor financial flows from the grant’s Principal Recipient to its various levels of sub-contractors (SRs, SSRs, and SSSRs).⁵³
- There is high reliance on CCMs (which have no legally binding relationship with the Global Fund) and PRs to protect the Global Fund from misuse of funds.⁵⁴
- As assessed in 16 countries in 2007-08, procurement standards are not consistent with international standards, or even as rigorous as existing country standards.⁵⁵

These financial risks will increase as the volume of disbursements and the size of individual country grants increases.

Organizational Risks: A loss of partner and donor confidence can occur if the Global Fund’s organizational reputation were to diminish because of poor financial management, or because of ineffectiveness of the grants, or inefficiency in the organizational processes, thereby reducing its comparative advantage in the health development architecture. The Five-Year Evaluation identified a range of contributing factors to this potential risk:

⁵² Ibid, page 46.

⁵³ Ryan, L. et al. 2007, pg. 125; Mookherji, S. et al., pp. 67—69; 86-87.

⁵⁴ Ryan, L. et al. 2007, pg.125.

⁵⁵ Ibid, pg. p.127-129.

- The Global Fund is challenged in demonstrating the right kind of results to its investors and partners—e.g., impact and outcome, as opposed to inputs and outputs; maintenance or improvement of service quality during scale-up; and improvements in equity, including gender, marginalized populations, and income. Most existing information systems cannot produce this at country level⁵⁶, and grant performance is not sufficiently tied to outcome and impact assessments⁵⁷.
- Because health systems capacities are often the limiting factors for the demand for additional financing⁵⁸, and because they are also important predictors of grant performance⁵⁹, the Global Fund faces a complex challenge in ensuring programming (absorptive) capacity for its planned increases in disbursement, as well as in ensuring the effectiveness of its financing.

The continued lack of a comprehensive partnership strategy and the ensuing unclear demarcation of responsibilities among partners, together pose the greatest risk to the Global Fund's continued success and organizational reputation.

Operational Risks: The Five-Year Evaluation identified a range of operational issues that erect barriers for the Global Fund to prioritize and mobilize organizational structures and processes for optimal performance:

- The lack of an active risk register prevents the alignment of oversight resources to areas of highest risk⁶⁰.
- A series of fragmented and variable portfolio and grant management practices create gaps and inconsistencies that allow risks to emerge⁶¹.
- There are inadequate institutional information systems for organizational and grant risk management purposes⁶².
- The Global Fund's commitment to both country ownership and a performance-based funding model creates tensions at the level of portfolio management for the demonstration of results⁶³.
- The insufficient investment by the Global Fund and its partners in country health information systems that can report on outcomes and impact threatens the viability of the performance-based funding system⁶⁴.

⁵⁶ Mookherji, S. et al. 2008; Macro International Inc., 2009.

⁵⁷ Mookherji, S. et al. 2008, pp. 141-148.

⁵⁸ Ryan, L. et al. 2007, pp. 125-126.

⁵⁹ Mookherji, S. et al. 2008, pp. 142.

⁶⁰ Ryan, L. et al. 2007, pg. 125

⁶¹ Ibid, pp. 126

⁶² Ibid, pp.101-114.; Mookherji, S. et al. 2008, pp.141-160.

⁶³ Ryan, L. et al. 2007; Mookherji, S. et al. 2008.

⁶⁴ Mookherji, S. et al. 2008; Macro International Inc., 2009

- Unclear responsibilities among disease programs/grants and partners at global and country levels, for investing in health systems strengthening and capacity-building, creates impediments to scaling-up⁶⁵.
- Finally, the Global Fund’s model has often inadvertently created parallel systems, due to lack of alignment and harmonization at the country and global levels, which have created inefficiencies in implementation⁶⁶.

To the extent that the Global Fund Board continues to place high priority on operational protocols that emphasize country ownership, it will also have to accept that the risk margins of operations increase, in particular with relation to monitoring of performance. Currently, greatest operational risk resides at the country level. Absent a country presence and a strategic investment in partnership building at the country level, the Global Fund does not currently align its resources with the greatest risks it faces.

Political Risks: The essential political risk that the Global Fund faces is that of being misunderstood to have an exclusive responsibility to finance life-saving treatments in poor countries. As life-saving treatments are made available to more and more patients, the pressure for ensuring the continuation of treatment will increase for countries, the Global Fund, and its partners. Significant ethical issues arise with regard to providing continued access to life-long, life-saving treatment for HIV/AIDS. These will have to be reconciled with the Global Fund’s performance-base funding model, and its commitment to country ownership of programs. This responsibility is not only focused on the individual beneficiaries, but is a “global communicable disease governance issue,”⁶⁷ given that the risk of drug resistance for all available current treatments of all three diseases is not bound by national borders.

USING RISK ASSESSMENT TO SEGMENT AND MANAGE GRANTS

The main risk mitigation activities employed by the Global Fund involve segmented approaches and instruments comprising mainly of LFA assessments, financial disbursement “red flags” and the Early Alert and Response System (EARS). The intent of the EARS was to provide early identification of “underperforming projects”, thereby facilitating timely corrective actions. The system, however, was managed as an “add on” to portfolio management and applied irregularly. Moreover, the application of EARS has generated some mistrust among Global Fund partners who expressed concerns over the “stigmatizing effect of the EARS list.”⁶⁸

Additional and potentially more effective parameters that could be used to identify risks and manage the grant portfolio were explored by both Study Areas 1 and 2. Study Area 2 analyzed, using regression models, the entire portfolio of grants that had Phase 2 decisions, concluded that burden of disease and health system capacity (as measured by health workers per 10,000 population) were important predictors of future grant performance. These country and disease level parameters allow

⁶⁵ Ibid

⁶⁶ Ibid

⁶⁷ Ryan, L. et al. 2007.

⁶⁸ The Global Fund, *Brief Summary of the Legal Workshop*, Annex 5, www.theglobalfund.org/documents/regionalmeetings/thailand2005/Annex_5_Clinic_Reports.doc

for risk assessment and segmentation of proposal submissions.⁶⁹ In addition, the numbers of conditions precedent assigned during the grant agreement process was associated with grant performance at phase 2, providing the Secretariat with a proposal-specific and prospective tool with which to identify and manage at-risk grants.⁷⁰ Both study areas identified important contextual factors for grant performance risk. They included the capacity of the CCM, as well as the density of partner presence. Low CCM capacity and limited partner presence could, for example, require more explicit support from the Global Fund Secretariat⁷¹ or from in-country partners through explicit partnership agreements.

The Secretariat progress in improving the Fund's approaches to risk management. A consultant study of risk management gaps was prepared in April 2008. Since then, efforts have been underway to integrate all major databases which will allow enhanced corporate-level portfolio risk assessments. In addition, steps have been taken to increase the coherence and quality of the oversight functions of LFAs. More fundamentally, the recent internal reorganization based on the recommendations of the Booz-Allen-Hamilton report has helped to remove ambiguities over roles and responsibilities for risk management between finance, policy and operations. In addition, in order to address the largest areas of corporate risk, the Global Fund has progressively improved its efforts in procurement, including promulgation of policies and standard operating procedures. Finally, a new consultant study was commissioned in January 2009 "to develop a Risk Management Framework and an Accountability Framework ...with an initial focus on ...grant management."⁷² It is expected that the Secretariat will present a complete corporate risk management strategy paper to the Board in May 2009, which is likely to be the important first step to developing an effective ERM strategy for the Global Fund. Much will remain to be done after this first step.

Its many achievements notwithstanding, the Global Fund's evolution during its first five years reflected the experience of many start-up enterprises: driven by mission and ambition but without integrated strategic systems that included the key elements of ERM. Improvements and advances have been evident over the past two years and this process is continuing, but an effective corporate risk management structure and policy remains a major lacunae and poses a continuing threat to Global Fund investments and the credibility of the organization's founding principles.

⁶⁹ Mookherji, S. et al. 2008, pp. 142; 154-160

⁷⁰ Ibid.

⁷¹ Ibid, pp.148-154; Ryan, L. et al. 2007, pp. 98-101.

⁷² The Global Fund 2009, *Proposal to develop risk management tools for the Global Fund*, Terms of Reference.

Synthesis Finding 9: The governance processes of the Global Fund have developed slowly and less strategically than required to guide its intended partnership model

The Global Fund's governance model was initiated rapidly and has led to a dynamic, transparent and participatory process inclusive of a diverse array of stakeholders. However, in its first five years the process has operated on an incremental policy basis, focused on a sequential number of more near-term and micro issues, neglecting to address the larger and longer-term strategic picture and challenges. The governance process has yet to reconcile competing principles established in the Framework Document, establish the corporate strategy that the Global Fund so badly needs, systematically monitor its own performance or decision-making with respect to the initial Guiding Principles, or interact sufficiently with other governing boards to shape the global partnership environment.

RECOMMENDATIONS

30. The Global Fund Board should consider shifting to a more 'partnership-centric' approach to governance in order to reposition the Global Fund in the global health architecture in a way that maximizes the leverage of its financing to effect major efficiencies in the international system of development assistance for health--specifically focused on AIDS, TB and malaria, but mindful of the broader national health structures and systems that will require strengthening to achieve its focused objectives. Such an approach would involve the Board re-examining the roles and responsibilities presently carried out by the Secretariat, considering which of those roles could and should be played by partners.
31. The Global Fund Board should take steps to reconcile its founding Principles with the unrealized assumptions required for their actualization. Specifically:
 - a. improved country-owned coordination ,with the full participation and inclusion of stakeholders, is required to ensure that the partnership model functions effectively at country level;
 - b. strengthened country information capacities are required to support performance based funding;
 - c. explicit financing mechanisms are required to fully engage the international technical partners.
32. The Global Fund Board should support the development of a more coherent vision and mission statement that sets a hierarchy and contextual boundaries for the application of the Global Fund Guiding Principles, focuses on issues--especially partnership and monitoring and evaluation--which have not thus far received sufficient attention, and defines more precisely the current status and future orientations of the Global Fund business model.
33. The Global Fund Board should provide clear guidance to the Global Fund Secretariat with respect to strengthening or limiting its roles relative to those of its partners in the areas of financing, policy and development assistance in order to better situate and differentiate the Global Fund in the global development architecture.

The Evaluation found that the Global Fund's governance structure and processes have achieved both broad participation and genuine power-sharing between key constituencies in the fight against HIV/AIDS, TB, and malaria, including donors, developing and developed countries, the private sector, civil society organizations, and people living with these diseases. The CSO and private sector participation is broadly appreciated as successful and precedent setting.

Board members enjoy a positive *esprit de corps*, viewing their experience as generally positive, and self-assessing the effectiveness of the Board as having improved over time. Two-thirds of Board members interviewed for SA1 rated their experience with the Board and its committees as generally more efficient and productive than other Boards in which they participate.

The full voice and participation of some constituencies has yet to be achieved owing to varied rates of attendance at Board and committee meetings and ineffective communication within the delegation—and between the delegation and its constituents. These difficulties are in large part due to the size of some constituencies and the absence of easy mechanisms through which to debate and form common positions in advance of Board discussions.

The Board operating costs represent approximately 4 percent of Secretariat expenditures or 3 percent of total operating costs when the LFA costs are also taken into consideration. When grant disbursements are included, Board-related costs represent under 0.2 percent of the total annual (2006) budget.⁷³ The Evaluation sought to establish benchmarks in this area, but found reliable comparisons unavailable with respect to financial costs of governance due to wide variations in governance approaches across organizations (e.g., frequency of meetings, levels of governance, resident/non-resident nature of boards).

WORKLOAD VOLUME AND CAPACITY

By most measures, there has been an increase in the already considerable workload of the Global Fund Board.⁷⁴ From 2002 to 2006, the annual number of topics discussed increased from 189 to 290, while the number of decisions increased from 174 for three meetings, to 257 for two meetings.⁷⁵ In the first meeting of 2007, some 171 topics were discussed and a staggering 196 decisions made, informed by over 900 pages of documentation and PowerPoint presentations transmitted to Board members in advance of the meeting. More than half of the documentation dealt with the internal arrangements of the Board.

Nevertheless, Board members indicate that they are largely satisfied with the documentation provided for the Board meetings, while acknowledging the impossibility of mastering such an overwhelming volume. This is particularly the case for non-English speaking members and for some

⁷³ For 2007, the budget for Board meetings was 2.4 million US\$. The main areas of expenditure were Committee Meetings (31%); Board Meetings and Support (25%); administrative tasks and site visits (12%); and Secretariat travel and participation (11%). Smaller budgeted expenditures (apart from the executive search) involved support to funded Board meeting participants (8%), and very small expenditures in terms of participation of members to external meetings/events, external studies, and only 1% of the budget for constituency support.

⁷⁴ Ryan, L. et al. 2007, pp. 23-24.

⁷⁵ Ibid, pg. 23.

constituencies without ready access to reliable high-speed internet services--further frustrating the efforts of those constituencies to harmonize their positions in advance of the Board deliberations.

ORGANIZATION OF THE WORK OF THE BOARD

The Board works through established committees and a common set of Committee Operating Procedures. The committee structure provides a process for the Global Fund Board to anticipate developments in its procedures; to initiate, test, and assess options; and to evaluate previous decisions. Initially, the Board established a total of six committees. After consideration⁷⁶ of the results of a study of ways and means to increase its efficiency and effectiveness, the Board⁷⁷ reduced the number of committees to four, expanding the terms of reference for each of the new committees. With their new terms of reference, the committees are intended to provide both policy and decision support and oversight. Committee roles are clear and differentiated, although potential areas of overlap have been identified.⁷⁸

It is important to note that the Board Governance Study, from which the findings presented in this section are largely drawn, was completed in July 2007 as part of Study Area 1. At that time, it remained a continuing challenge for the Board to effectively delegate responsibility to its committees. Board members identified an excessive revalidation of committee discussions in the full Board meetings as one clear area of efficiency loss. This duplication reflected a mix of ambiguous delegation to the committees; the limitations and inefficiencies in the committee process; and the feeling of some delegations that they had not fully participated in the sometimes politically sensitive negotiations and decision drafting.

The Board and its committees are dependent on the Secretariat to provide support to their processes of deliberating options and carrying out decisions. Processes at the governance/management interface can be complex, time-consuming, and involve substantial transaction costs. In general, tasks begin with the Board identification of an issue, followed by analysis and discussion of the possible response within the Secretariat and committee, then finalization and submission of the committee document to the Board for discussion and eventual disposition.⁷⁹

⁷⁶ The Global Fund 2004, *Executive summary of the Board committee study*, Report GF/B9/6, The Global Fund, Geneva.

⁷⁷ The Global Fund 2005, *The report of the Committee Restructuring Working Group*, Report GF/B10/11, The Global Fund, Geneva.

⁷⁸ These areas include (1) identification and evaluation of risk, which is a shared responsibility of all Committees; (2) resource mobilization, with overlaps between the FAC and the PSC; (3) performance monitoring, with overlaps between the PC and the PSC. In addition, the TORs of the PSC give it a broad mandate in policy and strategic planning “in areas not explicitly covered by the FAC and PC,” a formulation which itself has lent itself to some duplication.

⁷⁹ The Board Secretariat relationship is illustrated in Figure 4 of the Final Report of Study Area 1. Key tasks may originate from a Board Decision Point, a Board Committee task or a task identified by the Secretariat itself to the Executive Management Team (EMT) for assignment of the work both to a structure and to a Focal Point and/or Focal Point Assistant to organize the task. Given the approximately six months between Board meetings, the time to organize the task, and the time required for Committee discussion, the actual time available for the Focal Point to organize and execute the work is relatively short. The initial draft document then flows through various management reviews (through the Operations Policy Committee [OPC] and the EMT) with subsequent exchanges between the Focal Point

The level of Secretariat support required by the Board and committees is not always well planned for, with some Secretariat staff viewing their support to committee assignments as their “second job”. From its Fourth Meeting⁸⁰ the Board expressed concern that the “Committee focus should uniformly expedite and assist the work, not unduly distract from the Secretariat’s core business and avoid intruding on operational matters, which are for the Secretariat to pursue.” During the committee self-assessment exercise of February 2007, the committees and the Secretariat determined that “the demanding work programs and tight timelines for producing the work and considering the results in committee have increased workloads significantly for some units within the Global Fund Secretariat, often leaving little time for critical non-committee work.”

Intensive committee process involvement in all aspects of the Global Fund’s work has contributed to the criticism--perhaps inevitable in the early phase of the organization--that the Board ‘micro-manages’ the Global Fund’s affairs. Viewed from a Secretariat or ‘**operations-centric**’ perspective, intensive committee deliberations take staff away from their primary responsibilities, which relate to the more operational aspects of the Secretariat. Intensive committee deliberations are also seen as a means for the Board to become more involved in a number of issues which should reasonably be left for Secretariat action and subsequent reporting to the Board.

Viewed from an alternative Board or ‘**policy-centric**’ perspective, these intensive committee deliberations may represent a more dynamic and participatory approach to governance in the international system. The first priority of the Secretariat in this perspective is to support the consultation processes the Board and its committees require to make decisions on the allocation of financial resources. A third, ‘**partner-centric**’, perspective posits that workload tensions between Board and Secretariat are less a consequence of ineffective Board delegation to the Secretariat—than they are the consequence of a broader failure of the Board to ‘delegate’ major responsibilities to external institutional partners.

AGENDA AND PRIORITIES

Overshadowing the issues of Board workload, capacity, and organization are issues that relate to the Board’s agenda and priority setting. While there are methodological limitations in assessing a governing board’s priorities, a review of the Board’s agendas, discussions, and decision points up to 2007 indicates a heavy focus on operational issues and policies.

At odds with the rhetorical priority given in the Guiding Principles and elsewhere on collaboration with other institutions and demonstrating results, ‘Partnerships’ and ‘Monitoring & Evaluation’ are infrequent topics of Board discussions. Study Area 1 found that the issues that garnered much of the Board’s attention were related to internal matters, policies, and strategies for grants management. In contrast, resource mobilization, partnership development, and monitoring and evaluation issues have collectively represented only about 13 percent of Board discussions since the Global Fund’s inception. Resource mobilization has assumed more importance in recent years,

and the Committee Chair and Vice-Chair before being submitted to the whole committee for review and eventual approval. If there are no further revisions, the document is processed as a Committee paper by External Relations and submitted to the Board.

⁸⁰ Feachem, R 2003, *Fourth Board meeting of the Global Fund Report of the Executive Director Richard G.A. Feachem*, Report GF/B4/4, The Global Fund, Geneva.

though the principal topics have been around UNITAID and restricted financial contributions, rather than on broader strategic issues such as replenishment matters, alternative and new mechanisms for resource mobilization.

The level of attention paid by the Board to operational details can be explained in some part by the pressures faced during an exceedingly rapid startup and by a desire for due diligence by the Board.

The difficulty interpreting findings is illustrated in the review of Board decisions from 2004 to 2007 (BM7 to BM15). SA2 found 45 decision points regarding PBF, and an additional 59 related to CCMs, were taken over that period. This averages to about 30 decision points per year related to oversight mechanisms and management systems. The bulk of these decisions (52) were to adjust existing principles of operation, in particular the Phase 2 process and CCM guidelines, which have been revised on an almost continuous basis over this period. An additional 18 decisions were made regarding country application of PBF principles and CCM operations.

It is not possible to explain *ex post facto* why the Board devoted so much time to the operational functions of country mechanisms. It may reflect the place PBF and CCMs hold in the Board vision of the Fund at country-level, a lack of a durable consensus on the policy aspects, the need for the Board intervention to guide a still developing Secretariat on fund disbursement and management issues, or simply an unavoidable consequence of a previous decision to establish an LFA system rather than rely on the in-country capacities of the World Bank or other partners.

Regardless, most Board members acknowledge their initial focus on the grant management process and the Secretariat structure and capacity, and state that improving partnerships, harmonization and alignment, and country capacity development are now and will continue to be as critical as those original issues on which the Board focused.

ORGANIZATIONAL VISION AND STRATEGY

Throughout the five-year period covered by this evaluation, the Global Fund Board has left largely unaddressed the critical issue of strategy development. Absent a shared organizational vision, the ad hoc growth and reactive evolution of the Global Fund architecture has brought with it increased procedural complexities and a spate of policy changes that have led to confusion, and in some cases, contradictions.

The Evaluation found that prior to March of 2007, strategy decisions were made largely in the form of add-ons and piecemeal adjustments. With the Board approval in March 2007 of the Global Fund Strategy, directional decisions progressed regarding health systems strengthening financing, moving to funding of National Strategy Applications, and a ‘dual-track’ financing mechanism. However, while these measures amounted to more than the former piecemeal efforts, they remain a series of discrete and incomplete policy instruments. More changes have been considered recently which will have direct implications for the architecture of the Global Fund; however, the process being followed is mostly incremental.

While expressing itself on the high-priority issues requiring attention, the Board has been slow to communicate a clear organizational vision in operational terms. Consequently, collaborating organizations are left to ‘wait and see’ where the Fund is going, unable to anticipate its approach to

new issues and realign their efforts accordingly. Given the size of its portfolio, uncertainty in the Global Fund's strategic intentions affects the certainty with which other organizations can articulate their strategic intentions. The Board has thus far not dispelled that uncertainty with respect to its intentions to:

- remain a 'financing only' institution, or seek to broaden its functionality;
- rely on partner institutions capacities despite their current limitations, or build independent capacity that compensates for (or competes with) those of organizational partners;

This clarification is all the more important in light of what is perceived as the persistent efforts of the Global Fund to distance itself from more explicit partnerships with the three institutional members of its Board (WHO, the World Bank, and UNAIDS) during the evaluation period.

IV. CONCLUSION

This evaluation presents an opportunity for the Global Fund to reflect on its first five years and to celebrate its important contributions, but also to reflect upon areas that may not have been given sufficient attention during an initial rush toward results.

While the Global Fund has achieved an incredibly rapid startup in its first five years, the Board's focus has drifted from long-term and strategic issues toward ad hoc and incremental decision making and to operational details. In absence of a considered longer-term strategy the Global Fund Board and Secretariat have not sufficiently differentiated between areas of responsibility that can and cannot be delegated to the Secretariat or partnered with collaborating institutions. As a consequence, the Global Fund's rapid organizational development, though impressive, has progressed in an unintended direction.

The Fund has increasingly become a stand-alone entity with a growing and increasingly complex portfolio of grants requiring ever increasing numbers of staff at global level to maintain effective financial oversight in countries. The sheer weight of its growing responsibilities as grant disbursement and oversight entity is increasingly at the expense of its strategic leverage in the global development architecture.

Nevertheless, the overall efforts of the first five years of the Global Fund can only be termed as extraordinary. It has demonstrated tremendous flexibility in adjusting grant disbursement strategies and operational policies, while urgently addressing the global funding gap for HIV/AIDS, TB, and malaria. The Five-Year Evaluation found that at a global level, collective efforts have resulted in increases in service availability, better coverage and reduction of disease burden. With these great gains comes the challenge of maintaining momentum while correcting a range of major inadequacies and addressing new challenges that are emerging in terms of health systems capacity and sustainability. The impressive capacities of the Global Fund leadership and staff inspire confidence that they will embrace and excel in meeting these challenges in the months and years to come.

V. ADDITIONAL LESSONS LEARNED THROUGH THE EVALUATION

The Five-Year Evaluation has presented an important learning opportunity for conducting and managing large-scale evaluations, with three important lessons which should be used to strengthen further such endeavors:

1. Evaluation implementers should be intimately involved in the design of the evaluation, particularly in identifying the research questions and study designs and methods to address each. This will not only minimize the learning curve in transferring these functions, it will improve the efficiency and quality of the evaluation itself.
2. The evaluation design and implementation team should be intimately involved in determining appropriate timeframes for the evaluation, based on the research questions and methods required. Allowances for different timelines to investigate different research questions should be incorporated into the evaluation study design.
3. Although different research questions might require different skill sets, study designs, and methodologies, the evaluation should be managed and treated as a comprehensive study and not broken into separate management units to improve coordination and maximize the opportunities for synergy and iteration, which can deepen and strengthen future evaluation findings.

In the conduct of the evaluation, the Global Fund's capacity for and use of data has also come into focus. The Global Fund has repeatedly demonstrated its agility as an organization by responding to performance information and by cultivating a culture of self-examination. It has also excelled in advocacy for raising more money, adeptly mobilizing data to substantiate its advocacy messages. This alignment of public advocacy and program financing has no doubt been instrumental in the Global Fund's achievement of its very high profile on the global stage, but has associated risks. For example, the Global Fund has not sufficiently separated and safeguarded the distinct functions of using special studies and evaluation for management purposes versus advocacy and replenishment purposes, nor has it always distinguished when to use self-generated data versus more normative data generated external to the Global Fund. This has resulted, at times, in over-interpretation of study data and findings that could ultimately weaken the Global Fund's evidence-based – and partnership – approach to advocacy and management.

To guard against this, the Global Fund should develop a robust evaluation agenda, together with and largely implemented by its external partners. This effort should be designed to provide regular findings and recommendations to the Board and the Secretariat on the performance and direction of the Global Fund, in particular with respect to its partnership functions. The evaluation agenda should also clearly articulate, from the outset, how and when the independent evaluators will interact with the different audiences of the evaluation, including the Secretariat, senior management, and the Board, to both safeguard the independence and transparency of the evaluation function, and ensure that the evaluators are able to properly contextualize and interpret the study findings.

The Global Fund should also work to ensure that interpretation of evaluation and other study findings for advocacy purposes is built on a sound base of relevant and externally verified data, perhaps by instituting a quality assurance system for special studies and advocacy documents.

In the aftermath of this major effort, global development professionals would benefit from a critical examination of the lessons learned from and about this experience, to inform the design and management of other large-scale evaluations. As a first step, the Global Fund should rapidly determine how best to make available the source data from the Five-Year Evaluation and encourage further analyses of these data sets by researchers in the wider development community.

ANNEX 1: SYNTHESIS METHODOLOGY

A. CONCEPTUAL APPROACH TO THE SYNTHESIS OF THE THREE STUDY AREAS

The point of departure for analytical approach to the Synthesis Report was to examine the key findings, conclusions, and recommendations from each of the three study areas from the perspective of how they directly or indirectly influence the impact on populations.

Three more specific questions were formulated as part of the analytical framework for the synthesis:

How was it intended that the Global Fund would contribute to making aid more effective for people?

Historical agreements and board documents are analyzed to address the question of political intention and architectural role of the Global Fund in relation to the key synthesis findings.

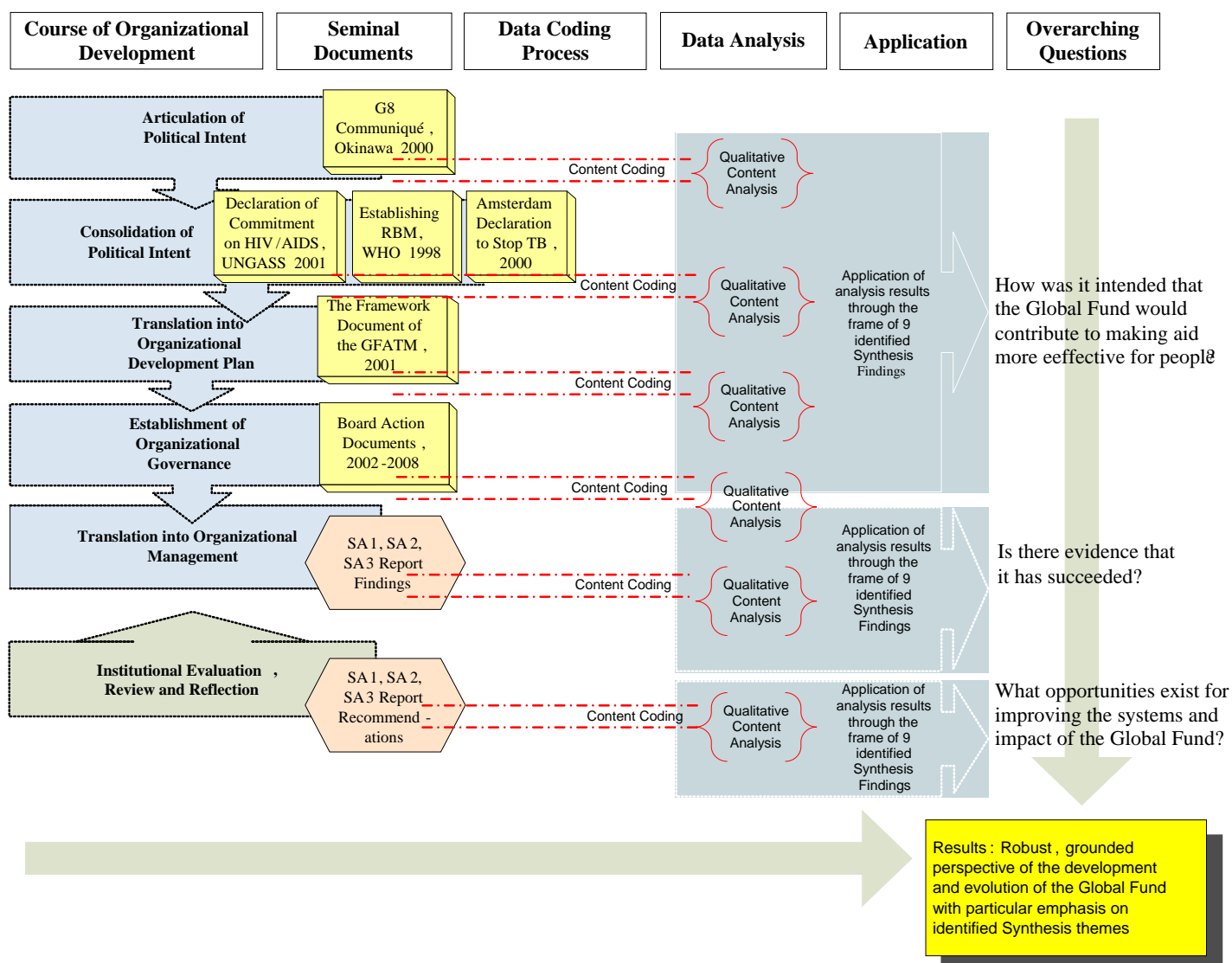
Is there evidence that it has succeeded?

For each synthesis finding, principal evidence, key findings, and conclusions from the final reports of the three study areas are analyzed to address the question of progress, success, and alignment with or digression from the original intended model of the Global Fund.

What opportunities exist for improving the systems and impact of the Global Fund?

For each synthesis finding, recommendations made in each of the three study area reports are analyzed to address the question of identifying potential improvements and adjustments that may facilitate further progress and success of the Global Fund model.

Figure 2: Conceptual process of the organizational analysis of the Global Fund



B. LIMITATIONS OF THE APPROACH

Application of this analytical framework was limited by several factors:

1. The sequencing of the three study areas

To determine factors contributing to better impact or outcomes, the evaluation would have benefited from first identifying areas of high and low impact, then examining the aspects of the Global Fund model that may be contributing to or diminishing the observed effects.

2. The difficulty in attributing observed outcome and impact to Global Fund activities

As noted in the Final Report from Study Area 3, that phase of the evaluation focused on the collective impact of the Global Fund and its partners, as opposed to attributing impact specifically to the Global Fund or its programs. This created a disjoint between Study Areas 1 and 2, which

focused solely on the Global Fund model, and Study Area 3, making it methodologically difficult to link findings.

3. The concurrent timelines for completion of Study Area 3 and the Synthesis Report

The Synthesis Report was completed in parallel to the Study Area 3 Final Report, which created challenges to ensuring coherence between the key messages of Study Area 3 and the Synthesis findings. While the main findings of Study Area 3 had become evident early in the synthesis process, final SA3 conclusions and recommendations were developed iteratively in parallel to the development of synthesis findings and recommendations.

4. The key finding that impact information is most often absent

Study Area 3 found that most countries lacked existing data on impact and sometimes outcomes, which made their analysis difficult and carried over to synthesis, as the departure point was meant to be impact on populations.

Faced with these limitations, the analytical approach was adapted to instead start with locating where service coverage improvements have been identified, then examining the process aspects of partnership effectiveness and organizational efficiency to assess potential contributing factors that can be controlled by the Global Fund.⁸¹ Using the adapted analytical approach, the synthesis analysis focuses on the following:

1. Linking the results from the three study areas to the original intentions, goals, principles, and expectations that the Global Fund was designed to address.
2. Formulating “pillar findings” based on conclusions and recommendations that build on and bridge the three study areas.
3. Shifting the focus from the largely operational and related management issues identified in the individual studies to governance and related management issues that draw on evidence from all three.

C. METHODS USED

The principal analytical method originally identified for use for synthesis of the three study areas was textual coding and electronic mapping of the key findings, conclusions, and recommendations from each of the final reports for the study areas. The plan was to code the relevant text of each of the three reports according to major themes identified through the textual analysis process. These themes were then to be mapped according to level (country, global, Global Fund Secretariat, Global Fund Board), and orientation (positive or negative).

This was done for Study Areas 1 and 2 in July and August, using ATLAS.ti software, which allows multivariate analysis of textual data. Findings and recommendations that were found to be contradictory prompted a further reexamination of factors leading to contradictions and detailed examination of the data. However, this systematic coding analysis had to be abandoned when it became clear that the key findings, conclusions, and recommendations text from Study Area 3

⁸¹ Please refer to Annex 4 for a detailed description of the methodology used for the synthesis analysis.

would not be available in time to be coded and included in the systematic analysis with Study Areas 1 and 2.

Because of the concurrent timeline with the finalization of Study Area 3, the synthesis team instead used the coded and mapped conclusions and recommendations from Study Areas 1 and 2 to identify key themes. These were then revised and prioritized in a consensus-building process with input from Study Area 3 team members and senior advisors. The available evidence from all three study areas was mapped against the themes to point to concluding statements that would frame the synthesis recommendations. These conclusions were then shared with the TERG in December 2008 to obtain feedback before being carried forward; more fully developed findings and recommendations were subsequently shared with the TERG in February 2008. Available input from TERG was taken into account by the synthesis team—and incorporated when relevant—in generating this final draft synthesis report. Annex 2 presents all recommendations from each of three study areas, as well as those from TERG Summary Reports on Study Areas 1 and 2,⁸² organized according to the nine synthesis findings and corresponding recommendations.

In addition, selected seminal documents were reviewed through qualitative content analysis to systematically inform a robust conclusion of the course of development of the Global Fund and of how the original intentions for the Global Fund model have evolved into its present structure. Other studies conducted as part of the Five-Year Evaluation and other Global Fund evaluations were also included in the analysis and are referred to where relevant. TERG Summary Reports from Study Areas 1 and 2 offered modified, sometimes additional, recommendations to those of the independent evaluation team. To the extent that these recommendations are supported by data collected through the Five-Year Evaluation methodology, the synthesis team sought to build on them.

At the same time, in keeping with its intention to be a learning organization, the Global Fund Board and Secretariat are already acting upon 14 of the recommendations from Study Area 1 as well as upon the recommendations for organizational restructuring that emerged from the independent Management Review conducted at the same time as SA1. Similarly, the Global Fund Secretariat has also begun to take steps to address some of the issues identified by Study Area 2, especially those related to oversight of grant sub-recipients and strengthening the performance-based funding system. While the synthesis team endeavors to stay aware of progress made and to incorporate this information into the analysis, it is likely that some gaps will occur. To address this, the most current available tracking of progress against the recommendations from Study Areas 1 and 2, as reported by the Global Fund Secretariat, are included in Annex 3.

⁸² Recommendations from the TERG SA3 Summary Report are not included in Annex 2, as that report was completed after the Final Synthesis Report was submitted.

Annex 2: Compilation of Recommendations from SA1, TERG SA1, SA2, TERG SA2 and SA3 by Synthesis Finding

Finding 1: The Global Fund, together with major partners, has mobilized impressive resources to support the fight against AIDS, tuberculosis and malaria

Synthesis Recommendation:

8. The international development community needs to systematically address the requirements of sustainability in the global response to the three pandemics. As part of this response, the Global Fund replenishment mechanism should further its mobilization of financial resources from existing donors and new sources of funding, including from international donor agencies that have not yet contributed and from non-traditional sources. All Global Fund resources should meet the criterion of additionality—that is they should be *additional* to existing AIDS, TB and malaria funds and to the health sector overall.
9. The Global Fund should in particular increase its efforts to engage the private sector in the partnership, expanding the range and types of contributions, especially to mobilize in-country private-sector resources.
10. The Global Fund should work with other financing entities to help ensure the predictable multi-year funding required to maintain high quality programs. This should be given urgent priority, especially in those areas where the Global Fund has become the largest international donor.

Related Recommendations from Study Areas and TERG Summary Reports

5 year Evaluation Study Area Report	TERG Summary Report ⁸³
STUDY AREA 3	
<p>3.2 Predictable funding and treatment</p> <p>The Global Fund and its partners should provide predictable funding and support to reliable antiretroviral drug supply and distribution systems in order to build upon and expand treatment-related investments in rural and most at-risk populations.</p> <p>4.1 Predictable funding for TB programs</p> <p>The Global Fund, as the most important donor of TB control programs at present, needs to find ways to ensure predictable multiyear funding to maintain quality programs, as other donors appear to have increasingly channelled their funding through the Global Fund.</p>	
STUDY AREA 1	TERG SA1
<p>8. The replenishment mechanism should be expanded (1) to mobilize additional financial resources from countries that have previously contributed, and, (2) to elicit contributions from countries that have not yet contributed to the Global Fund. This could be achieved through strategies encouraging contributions by region, for example from new donor</p>	<p>4.4.3. In order to broaden the resource base, the TERG recommends:</p>

⁸³ Note: a TERG SA3 Summary Report was not available at the time of publication of the Synthesis Report

countries which have established their own international development offices, or from countries currently starting or expanding their aid programs.

18. In order to reduce a potential gap between banked donations and monies disbursed, the Board should consider amending its Comprehensive Funding Policy to allow for mechanisms that will streamline the grant management process and reduce the time between Board Approval and the first disbursement of funds. These mechanisms may include:

- Amending the Comprehensive Funding Policy to commit Global Funds for a longer period of time on new grants and eligible RCC grants;
- Authorizing the Secretariat to proceed with due diligence (prior to Board approval) on those new grants recommended “Fund” and/or “Conditionally Fund” by the TRP;
- Modifying Phase 2 to make funding decisions based on existing grant performance data (i.e., GPR, EARS, PUDR, country context, etc.), and the recommendations of an Internal Review Team composed of members from Operations, Finance and PEP.
- Ensuring the participation of FPMs on Internal Review Teams (IRTs) by streamlining the current PUDR process. This may include requiring the LFA to provide: (1) financial documents (including the scorecard) directly to the Finance Unit for processing according to current oversight procedures and practices; and, (2) a confidential report, when necessary, to the FPM for review, analysis and recommendations. This will refocus the efforts of the FPM on quality control, and free him/her for IRT service while reducing some of financial oversight currently provided.
- Modifying Phase 2 to establish a “fast track” for approvals of new grants (and eligible RCC grants) that are assessed as high performing through the PUDR process; and,
- Exploring ways to utilize the PBF system to provide incentives, by enabling “highly performing” new grants and RCC grants to be extended in length and increased in amount without going through the TRP unless there are significant changes in grant mission and goals.

- The Global Fund continues to make efforts to attract funding from countries that have not contributed, perhaps by encouraging contributions by regions.
- The Global Fund attempt to engage the private sector to a larger extent, partly by expanding the range and types of contributions, for example by emphasizing co-investment over monetary contributions.

4.4.2

- The Global Fund streamline its grant review process and reduce delays in disbursements by:
 - Committing funds for longer time periods, particularly for new grants and eligible RCC grants. This might require amending the Comprehensive Funding Policy.
 - The Board considering authorizing the Secretariat to proceed prior to formal Board approval on new grants that have been recommended by the TRP as ‘fund’ or “conditionally fund”
- The Global Fund look for ways to utilize the Performance-Based Funding system to provide incentives, for example, by enabling high-performance grants to be extended in length and increased in amount without going through the TRP process unless there are significant changes in the goals.

STUDY AREA 2

TERG SA2

Finding 2: Collective efforts have resulted in increases in service availability, better coverage and reduction of disease burden

Synthesis Recommendation:

11. The Global Fund’s business plan should increasingly differentiate its prevention and treatment approaches in specific countries based on the epidemiological profiles of AIDS, TB and malaria **and** the assessment of a country’s capacity to execute its planned disease control programs.
12. The Global Fund should adjust its ‘demand-driven model’ and focus its resources on prevention and treatment strategies that utilize the most cost-effective interventions that are tailored to the type and local context of specific epidemics.
13. The Global Fund and its partners should continue to finance scale-up efforts, in particular for key malaria program interventions in light of the encouraging initial results from several countries and research.
14. Much higher priority on the strengthening and integration of health information systems required by countries to manage their programs and monitor impact. Specifically:
 - d. The Global Fund and partners should reorient investments from disease specific monitoring and evaluation (M&E) toward strengthening the country health information systems required to maximize data quality and use for decision-making.
 - e. Countries should be encouraged to increase investment in medium- to long-term capacity building for financial tracking, including through the incorporation of health expenditure data in their population-based surveys and the completion of periodic National Health Account exercises.
 - f. Countries should also be encouraged to emphasize the development of quality assurance mechanisms that can help to achieve urgently required financial oversight at the sub-recipient (SR) level.

Related Recommendations from Study Areas and TERG Summary Reports

5-year Evaluation Study Area Report	TERG Summary Report
STUDY AREA 3	
<p>3.1 Strengthening prevention programs</p> <p>The Global Fund and its partners should reinforce prevention strategies tailored to the type of epidemic and local context and focus on the most cost-effective interventions. The Global Fund needs to ensure that the most effective set of preventive strategies are funded given the type of epidemic and local context, accompanied by appropriate investment in measuring results.</p> <p>5.1 Potential for impact</p> <p>Accelerating grants for malaria control should be a priority, given the encouraging initial results from several countries and research, particularly focusing on countries where other donors are less active and Global Fund grants can catalyze major changes.</p>	

STUDY AREA 1	TERG SA1
<p>1: The Board should consider further developing its Strategy to ensure that the organization’s mission and goals are clearly articulated to focus it toward impact on each of the three diseases. This will require:</p> <ul style="list-style-type: none"> • Developing specific goals for different types of country profiles based on—epidemiological profiles and, levels of country capacity to supporting disease control programs. CCM profiles should be considered in such areas as integration vs. parallel structures, and proactive involvement of constituencies vs. minimalist compliance to requirements for funding. • Establishing the general magnitude of resource requirements (financial, organizational, and in terms of human resources) and defining resource allocation priorities for the achievement of the stated goals and objectives. • Matching resource requirements with the resource mobilization strategy and adjusting the requirements for the application of different policy instruments, taking into consideration the Global Fund’s positioning and comparative advantage in the development architecture. • Revising the performance and results targets to which the organization will be held accountable. <p>23. Following on Priority Recommendations 1 and 2 of requiring a tiered approach to grant award and management based on profiles in disease burden and country capacity, the Global Fund should map out a plan for ‘sliding’ (or tiered) levels of assistance on procurement issues based on country needs, preferably through clear and defined partnership arrangements. The capacity of the Procurement Unit of the Global Fund (including its size) should be strengthened accordingly. As options are developed, the Global Fund should consider the following:</p> <ul style="list-style-type: none"> • The Board-endorsed pooled procurement model should be put into practice via the hiring of a procurement agent from the Global Fund’s pre-selected list to procure a limited number of health commodities in greater volumes. Countries with serious and documented PSM difficulties should be required (via the application of Conditions Precedent) to opt-in to the model. However, the Global Fund should monitor closely the effects of the pooled procurement mechanism from its initial stages to avoid development of monopolistic practices among suppliers or procurement agents. • As is already happening with some success in certain countries,⁸⁴ effective and improved PSM at country levels should be supported through formalized in-country partnership arrangements to assist where systems are weak (e.g., a UN agency may provide the procurement support needed in one country, while bilateral funding may support a Non-Governmental Organization, government contractor, or private 	<p>4.1: The Global Fund’s business plan should include benchmarks for appropriate balance in resource allocation: (1) establishing minimum standards for effort toward countries with low capacity and high burden of disease; (2) explicitly stating how technical assistance will be resourced, what contributions will be made by technical partners and options for financing of technical partners, while respecting country ownership.</p> <p>4.4.6: The Procurement Unit in the Global Fund should be strengthened and authorized to work more proactively with partners and look for innovative ways to assist countries with procurement, particularly countries with weak procurement systems where training as well as assistance may be required.</p>

<p>partner in carrying out this function in another.) These partnerships need to be formalized, with clear delineations of roles and expectations, to ensure objectives are met. This would be a shift from the current ad hoc approach of relying on partners to fill gaps.</p> <ul style="list-style-type: none"> As part of the proposed tiered approach, the Global Fund should modify proposal guidelines to require designated “high capacity” countries to include funding allocations in their grant proposals for strengthening national PSM capacity and performance through innovative and sustainable methods (for example, through the involvement of private partners or joint-donor efforts to build long-term PSM capacity within countries). <p>In the immediate term, prior to the introduction of this tiered approach, the Global Fund Secretariat should monitor and encourage the use of grant funds currently available and unspent for technical assistance to enhance PSM capacity and performance.</p>	
STUDY AREA 2	TERG SA2
<p>20. It is recommended that the Global Fund Secretariat develop and articulate a strategy that allows for a menu of investment approaches to increase the probability that grants will perform well. In particular, this analysis suggests that:</p> <ol style="list-style-type: none"> For countries with weak health systems or high disease burden, grants should either focus more on investing in long-term capacity building, or demonstrate partner contributions to capacity-building. For countries with fewer PRs, investing in their management capacity will likely improve grant oversight and in-country technical assistance systems For countries with existing, well-developed health sector coordination mechanisms, a focus on ensuring alignment and harmonization may increase the potential of contributing to health systems strengthening. 	

Finding 3: Health systems in most developing countries will need to be greatly strengthened if current levels of services are to be significantly expanded

Synthesis Recommendation

15. The Global Fund and partners should address the major gaps in basic health service availability and readiness—the minimum components for delivery of quality services such as basic infrastructure, staffing and supplies—as part and parcel of scaling-up against the three diseases. In particular, Global Fund grants for health systems strengthening should support overall country health sector strategic plans.
16. The Global Fund and its partners should together clarify, as a matter of urgency, an operational division of labor regarding the provision and financing of technical support for health systems strengthening. These efforts should take a longer-term perspective in delivering technical support. They should in particular support human resource capacity building over a horizon of five to ten years, in harmony with other global and regional initiatives.
17. The Global Fund Secretariat should develop and articulate a strategy that allows for a menu of investment approaches to increase the probability that grants will perform well. The assessment of management issues as part of the grant rating should include explicit linkage to whether grant technical support budgets are being used for necessary capacity-building measures. In particular, for countries with weak health systems and/or high disease burden, grants should either focus more on investing in long-term capacity building, or demonstrate partner contributions to capacity-building.
18. The Global Fund Secretariat should work with internationally-mandated technical partners, country counterparts, and in-country civil society and private sector partners to strengthen country surveillance and M&E systems, taking into account the needs of performance-based funding. In particular and in active collaboration with country-level partners, the Secretariat should systematically identify and address additional requirements for achieving adequate oversight at the sub-recipient level.

Related Recommendations from Study Areas and TERG Summary Reports

5-year Evaluation Study Area Report	TERG Summary Report
STUDY AREA 3	
<p><i>1.1 Improving evaluation of scaling up in the future</i></p> <p>There is a need for more frequent evaluations that are planned with sufficient time to allow greater integration with country health information systems and the involvement of partners.</p> <p><i>1.2 Annual series of country evaluations</i></p> <p>The Global Fund and its partners should build on the evaluation study and continue to support evaluations of scale-up each year in a selected number of countries involving all relevant stakeholders with strong country institutional involvement.</p> <p><i>2.1b Reorient HIV/AIDS monitoring and evaluation toward one system</i></p> <p>The Global Fund and its partners should reorient investments in HIV/AIDS monitoring and evaluation toward strengthening country health information systems, thereby minimizing fragmentation and</p>	

<p>duplication and maximizing data quality and use for decision making.</p> <p>2.1c Strengthen, expand and align TB monitoring efforts</p> <p>The Global Fund and its partners should make a systematic effort to assist countries in strengthening their information systems for better program management and monitoring and evaluation to address major data gaps, including TB mortality and prevalence, service availability and quality, and diagnostic effort.</p> <p>2.1d Systematic approach toward malaria monitoring and evaluation</p> <p>The Global Fund and its partners should develop a more systematic approach to data collection and analysis for the monitoring and evaluation of malaria programs.</p> <p>2.3 Country capacity building in health information</p> <p>The Global Fund and its partners should redirect and increase their M&E investments to strengthen country capacity, aiming at greater country institutional involvement and harmonized approaches, tools, and methods</p> <p>6.1 Address basic gaps in services</p> <p>The major gaps in basic health service availability and readiness, which affect the quality of care for common health problems, will need to be addressed as part of scaling up against the three diseases by supporting a health system component of disease-specific grants and general HSS grants in a way that supports country health sector strategic plans.</p>	
STUDY AREA 1	TERG SA1
STUDY AREA 2	TERG SA2
<p>17. It is recommended that the <i>partners in the global health architecture together clarify, as a matter of urgency, an operational global division of labour regarding the financing of and technical support to health systems strengthening.</i></p> <p>a. As a part of this process, the Global Fund Board must define its policy regarding the Global Fund’s financing of HSS activities, including if and under what conditions physical infrastructure and recurrent costs (such as earmarked fiscal transfers for salary support) should be eligible for grant financing. The clarification of which HSS activities the Global Fund will finance should both inform – and be informed by – the decisions of other partners in the global development architecture to finance various HSS activities.</p>	<p>5.3. Current approaches to technical assistance are often primarily ad hoc and provided only over a short-term period. The TERG strongly recommends that <i>partners should consider a longer-term perspective in delivering technical support, in particular to support human resource capacity building over a horizon of five to ten years, in line with strategies described in the recommendations of a number of regional and global initiatives.</i></p>

Achieving clarity on the global division of labour is fundamental to the sustainability of the Global Fund effort, for productive dialogue with partners regarding respective roles and monitoring, and for an adequate collective effort to ensure essential HSS financing.

- b. As an integral part of defining a division of labour for HSS, **the Global Fund and its HSS partners** should consider how to establish mechanisms for effective and efficient TA provision in HSS. These mechanisms could be modelled on the regional TSFs established by UNAIDS, which aim to “build the capacity to build capacity” and enable countries to rapidly access quality-assured TA and facilitate the sharing of lessons learned and best practices.
- c. In support of defining the Global Fund’s role in HSS, the **Policy and Strategy Committee** and the Secretariat should urgently develop a strategy for long term capacity building to help sustain the benefits of Global Fund HSS investments after a grant ends. This strategy should be developed with relevant partners and would be expected to include specific areas such as PSM, M&E, and financial management, but should also include plans for alignment and harmonization efforts, to maximize the effects of strengthened capacity beyond Global Fund grant time lines. It would be expected that this process will include careful consideration of developing a mechanism for countries to submit a sustainability strategy, and a process for supporting phase-out strategy development during Phase 2.
- d. Some possible mechanisms for achieving harmonization and coordination with other HSS initiatives could include:

World Bank Trust Fund: The World Bank could propose to donors the establishment of a specific trust fund for health systems strengthening over the next decade, articulating how it would partner with the Global Fund, GAVI Alliance, UNAIDS, WHO, and others on prioritization, monitoring, measurement and sustainability issues. From the perspective of several global partners, the absence of a specific proposal from the Bank on its willingness to initiate such an effort has been lacking, obscuring the prospects for a meaningful operational partnership in this area.

Global Fund and GAVI financed Trust Fund: Alternatively or as a complement to a World Bank initiative, the GF and GAVI might propose to the Bank that it establish and manage a trust fund to build health systems and national health strategies with funding from GF and GAVI, and perhaps other partners. In such an undertaking, “vertical funds” such as the GF and GAVI would take responsibility for mobilizing and allocating resources for HSS purposes while the Bank would be expected to assure the fiduciary and due diligence required for a massively scaled up effort.

International Health Partnership: The recently agreed International Health Partnership launched jointly by Gordon Brown and Angela Merkel to “build strong, sustainable health systems” may offer an additional window of opportunity. A timely initiative might involve a joint proposal to donors from multilaterals interested in supporting health system development, with GAVI and GF serving as finance instruments; the Bank providing fiduciary and due diligence oversight capacity together with systems development capacity; UNAIDS and WHO furnishing technical and monitoring capacity.

6.1 The TERG notes that the Study Area 2 findings on procurement suggesting that the Global Fund does not follow internationally-accepted standards for procurement were not completely consistent with information received directly from the Secretariat. ***The findings in the Study Area 2 report may be the result of a discrepancy between the policies of the Global Fund relating to procurement and Supply Management (PSM) and actual practice. The TERG recommends that the discrepancies between Global Fund procurement policy and practice be urgently investigated and resolved.***

Finding 4: The Global Fund has modeled equity in its guiding principles and organizational structure. However, much more needs to be done to reflect those efforts in grant performance

Synthesis Recommendation

19. The Global Fund and its partners should ensure that in both applications for funding and country health information systems there is explicit inclusion of indicators for service quality and equity issues related to gender, sexual minorities, urban-rural, wealth, and education in order to more effectively monitor the access to services among vulnerable populations.
20. The Global Fund should integrate and highlight equity issues related to gender, sexual minorities, urban-rural, wealth, and education disparities in the development of its partnership strategies
21. The Global Fund Secretariat should collaborate closely with technical partners and country stakeholders to develop program strategies and build in-country capacities required to better identify and reach vulnerable populations.

Related Recommendations from Study Areas and TERG Summary Reports

5 Year Evaluation Summary Report	TERG Summary Report
STUDY AREA 3	
<p><i>1.1 Improving evaluation of scaling up in the future</i></p> <p>There is a need for more frequent evaluations that are planned with sufficient time to allow greater integration with country health information systems and the involvement of partners.</p>	
STUDY AREA 1	TERG SA1

STUDY AREA 2	TERG SA2
<p>11. a. It is recommended that <i>the Secretariat comprehensively address the critical issues of data quality that are potential threats to the validity and credibility of the Global Fund’s PBF model and internal monitoring.</i> The results of this review should be presented to the Board for action, and communicated immediately upon Board approval to all implementing partners. The review should include:</p> <p>a. <i>At the Secretariat level, ensure explicit inclusion of measures for service quality, gender, and income equity measures, as well as Paris Declaration objectives, in country PBF and internal key performance indicators, as well as in funding decision-making processes.</i></p>	<p>4.4. a. The Study Area 2 report recommended that the Secretariat address the problems of data quality. The TERG recommends that country partners, together with development partners and the Global Fund Secretariat, should comprehensively <i>address the critical issue of improving data quality. This is highly relevant to program management decisions and impact evaluation at country level. If unresolved, data quality issues represent potential threats to the validity and credibility of the Global Fund’s performance-based funding model. Such a review should include:</i></p> <p>a. Ensuring explicit inclusion of measures for service quality, gender, equity, and Paris Declaration objectives when setting in-country performance indicators and determining funding decision-making processes; and</p> <p>3.4. Gender was not addressed in the evaluation of the partnership environment. <i>The TERG strongly recommends that the Global Fund Secretariat should integrate and highlight gender in the development of its partnership strategies.</i> Together with technical partners, the Secretariat should develop effective tools to support country-level stakeholders in building capacity to address gender issues with respect to gender equity in both disease-specific issues and in the development, management, and implementation of programs.</p>

Finding 5: The Performance-based Funding system has contributed to a focus on results. However, it continues to face considerable limitations at country and Secretariat levels

Synthesis Recommendations:

- 22. The Global Fund should urgently seek a more coordinated approach and the more systematic investment of partners to strengthen the country health information systems which are needed as the basis for monitoring overall progress, enabling performance based funding, and conducting ongoing evaluations.
- 23. The Global Fund should comprehensively examine its performance-based funding (PBF) objectives, policies, procedures, guidelines, and current functioning while reviewing the PBF experiences of other partners, most notably GAVI.
- 24. The Global Fund Secretariat should revise quality assurance guidelines to distinguish approaches among settings where existing data systems are or are not capable of providing the outcome-level information required for PBF. As a part of this exercise, the Global Fund should review the implications of weak data systems on the guidelines for the operations of the technical review panel and the LFAs.
- 25. The Global Fund should reaffirm its aspirations to PBF principles, while proposing more differentiated approaches to quality assurance that are capable of improving performance and accountability monitoring within existing capacity constraints in countries.

Related Recommendations from Study Areas and TERG Summary Reports

5-Year Evaluation Study Area Report	TERG Summary Report
STUDY AREA 3	
<p>2.1 Strengthening country health information systems</p> <p>A more systematic investment and coordinated approach of all partners is urgently needed to strengthen country health information systems, which are the necessary basis for monitoring progress, performance-based funding, and evaluation.</p> <p>2.1a Strengthening proposals to the Global Fund</p> <p>The Global Fund and its partners should find ways in which it can strategically improve its support for strengthening country health information systems in a coordinated manner.</p> <p>2.2 Performance-based funding</p> <p>The Global Fund and its partners should consider immediate measures to improve data availability and quality to support its performance-based disbursement system, including more emphasis on results, better alignment with country information systems, and stronger validation mechanisms.</p>	

STUDY AREA 1	TERG SA1
	<p>4.4.2 (3rd bullet)</p> <ul style="list-style-type: none"> ○ The Global Fund look for ways to utilize the Performance-Based Funding system to provide incentives, for example, by enabling high-performance grants to be extended in length and increased in amount without going through the TRP process unless there are significant changes in the goals.
STUDY AREA 2	TERG SA2
<p>11. It is recommended that <i>the Secretariat comprehensively address the critical issues of data quality that are potential threats to the validity and credibility of the Global Fund’s PBF model and internal monitoring.</i> The results of this review should be presented to the Board for action, and communicated immediately upon Board approval to all implementing partners. The review should include:</p> <ul style="list-style-type: none"> a. <i>At the Secretariat level, ensure explicit inclusion of measures for service quality, gender, and income equity measures, as well as Paris Declaration objectives, in country PBF and internal key performance indicators, as well as in funding decision-making processes.</i> B. <i>At the Secretariat level, review PBF policies and guidelines, with the objective of making recommendations for modifications that would distinguish the types of outcome-level information that is required for monitoring grant performance from the types of output-level information that is required by the Secretariat for ongoing monitoring of the portfolio.</i> c. <i>At the Board level, consider policy changes that would allow outcome achievement to directly enter decisions for continued financing.</i> Currently, outcomes are measured beginning in year 3, while funding decisions for Phase 2 occur in year 2. Moving to a five-year funding cycle, with milestones, will allow for better synchronization with outcomes measurement and better fit with national strategies and plans, and will reduce the unintended negative effects of fund unpredictability. The 2+3 year policy for phase 1-phase 2 is burdensome on countries, reduces efficiency and effectiveness by generating large transactions costs, and is not required if the regular reporting and monitoring are reliable. Such a shift in the timing of performance-based funding decisions will also enable the Global Fund to examine a wider range of options for introducing incentives to well-performing grants. d. <i>At the Board level, consider policy changes that would send a clear message to implementers that M&E is an essential programmatic and disease control priority, and not simply a control and auditing cost.</i> e. <i>At the country level, ensure that PRs only require essential data from SRs.</i> 	<p>4.4. The Study Area 2 report recommended that the Secretariat address the problems of data quality. The TERG recommends that country partners, together with development partners and the Global Fund Secretariat, should comprehensively address the critical issue of improving data quality. This is highly relevant to program management decisions and impact evaluation at country level. If unresolved, data quality issues represent potential threats to the validity and credibility of the Global Fund’s performance-based funding model. Such a review should include:</p> <p>Ensuring explicit inclusion of measures for service quality, gender, equity, and Paris Declaration objectives when setting in-country performance indicators and determining funding decision-making processes; and</p> <p>Encouraging efforts at the country level to increase the quality of baseline data, building on the model impact platform that is under development as part of the Five-Year Evaluation as well as other methods under development with the support of the Health Metrics Network and others. The review should also explore direct investment in relevant systems and surveys that support grant performance assessments. In-country development agencies and academic institutions should be included as central partners.</p>

<p>f. <i>At the country level, efforts should be made to increase the quality of baseline data and to invest in relevant systems and surveys that support grant performance assessments. In-country development agencies and academic institutions should be included as central partners.</i></p> <p>18. It is recommended that at the Secretariat level, the newly created Strategy, Policy and Performance Evaluation Cluster should make the continued improvement of the current performance monitoring system a matter of first priority. While the Secretariat has undertaken to systematize the inclusion and documentation of contextual factors in grant performance ratings, other aspects of the PBF system also need urgent attention:</p> <p>a. The explicit objective of improving the PBF system should be to achieve clear demonstration of the links between financing decisions and objective measures of grant performance. In this regard, contextual factors and management issues must be systematically documented as part of grant scorecards.</p> <p>b. The assessment of management issues as part of the grant rating should include explicit linkage to whether grant technical support budgets are being used for remedial actions and capacity-building measures, and reward grants that do; this would provide a positive incentive for PRs to utilize TA budgets for capacity-building.</p> <p>c. The differentiation between all levels of grant performance must be more pronounced. The systematic inclusion and documentation of contextual factors will help with this, but the current design will ensure that there continues to be little distinction between meeting and exceeding expectations on performance (only a difference of 10% in achievement of the top 10 indicators) in the grant rating process. These cut-offs should be reconsidered as they currently limit the range of potential positive incentives that could be introduced.</p> <p>d. The internal monitoring system should enable the routine monitoring of the performance of the grant management teams, including FPMs and LFAs, and in the case of SR management, the PRs.</p>	<p>7.1. Study Area 2 found that the present performance measurement system of the Global Fund does not sufficiently discriminate between strong and weak performance in relation to the level of disbursement. The TERG therefore recommends that the Secretariat should make the continued improvement of the current performance monitoring system a matter of highest priority, based on a systematic and quality-assured approach to performance ratings and disbursements. The Secretariat should also explicitly incorporate additional positive incentives for performance in the performance-based funding system.</p> <p>7.2. It is critical that performance measurement be an integral part of country surveillance and M&E systems. Primarily, M&E should serve implementers to make rational management decisions. The TERG urges internationally-mandated technical partners to work with country counterparts to strengthen country surveillance and M&E systems, taking into account the needs of performance-based funding.</p>
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Finding 6: The Global Fund partnership model has opened spaces for the participation of a broad range of stakeholders. This progress notwithstanding, existing partnerships are largely based on good will and shared impact-level objectives rather than negotiated commitments or clearly articulated roles and responsibilities, and do not yet comprise a well functioning system for the delivery of global public goods

Synthesis Recommendation:

26. The Global Fund Board should reaffirm its commitment and reconsider its approach to institutional partnerships at the global level, clearly articulating its partnership priorities and the specific arrangements and agreements required to achieve its objectives.
27. The Global Fund Board should consider what efforts will be required to bring about agreed-upon, effective, and enforceable strategic divisions of labor between the Global Fund and the other main multilateral organizations involved in international health—in particular with the World Bank, UNAIDS, WHO, UNICEF, the Stop TB Partnership, and Roll Back Malaria—to fully capacitate the envisioned partnerships with civil society and the private sector. This should include as a first priority resolving the issues that impede the provision of essential technical assistance on a reliable and timely basis. It should also address larger, systemic issues needed for health systems strengthening.
28. The Global Fund Secretariat should work through with partners the carefully differentiated approaches it seeks in its various areas of work at global, regional and country level – defining in specific terms the institutional arrangements required to bring to bear the added value of particular partners at different stages of the grant life cycle.
29. The Global Fund Board, in consultation with the Secretariat, should ensure the structure, function and size of the Secretariat reflects its strategic role in a clearly defined partnership framework, distinguishing functions to be fulfilled by partners versus those to be fulfilled by the Secretariat.

Related Recommendations from Study Areas and TERG Summary Reports

5-Year Evaluation Study Area Report	TERG Summary Report
STUDY AREA 3	
STUDY AREA 1	TERG SA1
<p>2. Furthermore, the Strategy should clearly articulate a range of preferred and acceptable partner roles. These should be defined based on the prospect for effectiveness of partner arrangements in achieving specific objectives within given contextual profiles, rather than based on general intentions. These should be negotiated with the Global Fund’s main partners through a transparent and participatory process for technical partners, country partners and governments, civil society and private partners, and donor and recipient delegations.</p> <ul style="list-style-type: none"> • The objective of this recommendation is not for the Global Fund to become excessively prescriptive (to the extent that local agreements cannot be developed at the country or regional levels), but to set clear expectations and a range of options for effective technical partnerships, which countries can learn to access and use to their advantage. (As the Box below [Making Technical Partner Roles Explicit] illustrates, based on SA1 and SA2 findings, excessive flexibility in partnership arrangements can also lead to questions that would help better define what a functional partnership is.) 	<p>4.2 The Global Fund should clearly articulate the roles of its main partners through a transparent and participatory process: for technical partners, for civil society and private partnerships, as well as for donors and recipients.</p>

- Based on mapping of needs and capacity, elements of the Strategy could be specified to achieve the goal of sustainable and effective country disease control programs, based on the individual and coordinated capabilities of all country stakeholders (“country owned”). Some countries might benefit from CCM development and capacity building efforts through mechanisms negotiated between the Global Fund and a partner with country presence (UNAIDS, WHO, International Non-Government Organization (NGO), even Bilateral Agency). Others may focus on integrating CCMs within sustainable national structures or strengthening disease control oversight capacity in-country. Countries themselves (especially governments) should be increasingly accountable for sound stewardship, effective technical oversight, and leadership as the size of disbursements and support from the Global Fund for national strategies increase.

9: The Evaluation endorses the recommendations of the Global Fund Task Team on Resource Mobilization regarding the need for:

- An explicit public statement by the Board and the Secretariat on the intent to engage private partners to strengthen and sustain the Global Fund, and the engagement of non-governmental leaders in early and frequent consultations at the Board and Secretariat levels.
- A clear policy to enable targeting of non-governmental contributions, beyond the disease and continent designations currently accepted, to an even greater degree of specificity (to be determined) and reflecting practical considerations in guiding targeted support.
- More active involvement of the private sector in the development and funding of proposals, and better education for CCMs regarding the potential role of the private sector as a non-monetary resource for the fund (at the country level), including advice on conflict of interest relating to procurement.
- Mechanisms to promote private sector engagement, ranging from: enlisting corporate executives and other leaders in global advocacy, to developing an integrated platform for global partnerships with corporations, to further private sector representation on the Board and within CCMs.⁸⁵

10: At the level of the Board, the Global Fund should consider—

- Developing benchmarks for holding the private sector constituency of the Board accountable for meeting its commitment to raise one million dollars to support the Global Business Coalition’s (GBC) resource mobilization efforts.
- Articulating the differences between a private sector delegation (PSD) that represents the “North” versus the “South” in terms of the private sector, its capacities, and needs.

⁸⁵ Report of the Global Fund Task Team on Resource Mobilization, February 28, 2007

STUDY AREA 2	TERG SA2
<p>2. It is recommended that <i>the Global Fund Board seek to open “governing body to governing body” discussions aimed at leading to direct negotiations of a Global Partnership Framework</i> between the Global Fund and the World Bank, UNAIDS and WHO – inclusive of those global partnerships most directly involved in the focus areas of the Global Fund (notably the Roll Back Malaria Partnership and the Stop TB Partnership), in particular addressing:</p> <ol style="list-style-type: none"> The need for a division of labour with clarity of roles and responsibilities that the different organizations will play with regard to all aspects of financing, technical assistance provision, coordination, monitoring and evaluation. The resulting agreements should serve as a guiding framework for and a catalyst to greater coherence, efficiency and effectiveness in country-level programming. the fiduciary, oversight, and technical support requirements of programs within the Global Fund portfolio; the specific roles of partners that will add value to different stages of the grant life cycle; more systematic inclusion of partners that support tuberculosis and malaria in high-level discussions and planning. <p>7.: It is recommended that <i>the Secretariat review and enhance its Operational Guidelines, with the objective of contributing to a partnership strategy that supports the partnership framework initiative of the Board</i>, with a particular focus on:</p> <ol style="list-style-type: none"> the roles and responsibilities of the Global Fund’s Fund Portfolio Managers in facilitating partnership and communications among partners at the country level; the roles and responsibilities of the new Partnership Cluster in facilitating and catalyzing partnerships at the global and country levels; communications between and among different clusters and units in the Secretariat, and between the Secretariat and country-level partners. <p>3. It is recommended that <i>development partners strengthen their bilateral engagements with the Global Fund</i>, in particular by:</p> <ul style="list-style-type: none"> Undertaking internal dialogue between country, regional and global level organizational units to ensure continuity between policies and approaches that emerge from Global Fund Board discussions and decisions, and country-level interpretation and implementation; Ensuring active engagement of the partner organization at the country level with respect to both CCM participation and support of grant implementation; Engaging in more systematic communications at the country level with members of the partnership environment at multiple levels—including Fund Portfolio Managers, the full range of grant recipients, and 	<p>2.2. The Global Fund is critically dependent on effective and efficient partnerships, and must seek clarification of the roles and responsibilities of partners at both the global and country levels at different stages of the grant lifecycle. The Global Fund Board should seek to open “governing body to governing body” discussions aimed at leading to direct negotiations of a Global Partnership Framework between the Global Fund and the World Bank, the Joint United Nations Programme on HIV/AIDS (UNAIDS), the World Health Organization, The European Commission, development banks, engaged bilaterals, and those global partnerships most directly involved in the focus areas of the Global Fund - particularly the Roll Back Malaria (RBM) and Stop TB Partnerships.</p> <p>3.1. Global Fund partnerships must be built around country-owned programs. Development partners should strengthen their bilateral engagements with the Global Fund, in particular through internal dialogue among country, regional and global-level organizational units to ensure continuity between Global Fund policies/approaches and country-level interpretation and implementation.</p> <p>5.2. Adequate financing for technical assistance is critical. However the Global Fund should maintain the essential principle that Global Fund monies be provided to fund country programs. As such, the TERG recommends:</p> <ol style="list-style-type: none"> The Board of the Global Fund should re-emphasize that it does not directly fund its partners to provide technical assistance, and should reinforce its message that countries are encouraged to submit grant proposals with comprehensive budget allocations for technical support; The Technical Review Panel (TRP) should review the adequacy of technical assistance plans, including the development of such capacities at the country level; <p>Development partners should re-examine the extent to which their existing resources and budgets can be targeted</p>

CCMs.

12. It is recommended that **the Secretariat urgently develop and disseminate a much stronger, coherent, Fund-wide communications strategy for work with in-country partners**, including PRs, SRs, and SSRs, as well as CCMs, and in-country development partners. This plan should include:

- a. Clear articulation of FPM roles and responsibilities in communicating policy and guidelines to the full range of in-country partners, as well as a protocol for in-country visits that includes routine liaison with key bilateral and multilateral partners. Increased dialogue and an attitude of collaboration and partnership, which must be conveyed by the FPM, will effectively reduce the sense of alienation that many country-level bilateral and multilateral partners have felt since the Global Fund initiated funding, and thereby improve their willingness to provide support for grant implementation. Moreover, such efforts should help the Global Fund greatly in moving to an integration of its support with national strategies and multi-donor initiatives in general.
- b. Clear identification of communication channels with countries among the units within the Secretariat, to avoid potential delivery of conflicting messages, and further confusion at the country level; countries should also feel confident that coordination is occurring within the Secretariat.
- c. Consideration by the Secretariat of less frequent, more regulated communication of policy changes and Board decisions, to reduce confusion at the country level.

13. It is recommended that **the Board of the Global Fund clarify, as a matter of highest priority, that it does not, at this time, directly fund its partners to provide technical assistance**; and reinforce that partners may be financed to provide technical support to grants through the budgets allocated to technical support in the grants themselves.

16. It is recommended that **the new Partnerships Cluster should lead a thorough examination of all aspects of partnerships** as these relate to technical and grant implementation support. The outputs of this examination should include:

- a. A generic partnership agreement that can be adapted, to simplify the process of formalizing agreements. This generic partnership agreement should:
 1. Ensure that agreements for technical assistance are based on clear and mutually-enforceable arrangements for deliverables, measurement and evaluation and financing.
 2. Ensure that in all cases, partnership arrangements reflect the value added of the technical support each partner can bring to different stages of the grant life cycle.
 3. Ensure that agreements include specific arrangements for mutual accountability as well as exit clauses
- b. Identification of the minimum communications and coordination processes to be followed with all partners, regardless of any formal signed agreements.

to more efficiently support Global Fund programs. This may be part of the “governing body to governing body” discussions leading to a Global Partnership Framework, including a coherent fundraising strategy.

5.3. Current approaches to technical assistance are often primarily ad hoc and provided only over a short-term period. The TERG strongly recommends that **partners should consider a longer-term perspective in delivering technical support, in particular to support human resource capacity building over a horizon of five to ten years, in line with strategies described in the recommendations of a number of regional and global initiatives.**

Finding 7: As the core partnership mechanism at the country level, CCMs have been successful in mobilizing partners for submission of proposals. However, in the countries studied, their grant oversight, monitoring, and technical assistance mobilization roles remain unclear and substantially unexecuted. The CCMs' future role in these areas and in promoting country ownership is in need of review

Synthesis Recommendation:

- 30. The Global Fund should place greater emphasis on the 'CCM Function' rather than the 'CCM entity'.
- 31. In the majority of cases where the CCMs are not providing ongoing oversight and monitoring functions, the Global Fund should strengthen CCM capacities and/or focus their efforts more exclusively in the domain of proposal development and submission.
- 32. The Global Fund should work with partners and country counterparts to incorporate the CCM functions into other 'CCM-like mechanisms' within existing country-level architecture for coordination and planning in the health and social sectors, particularly where the Global Fund is funding national strategies and/or seeking to support health systems strengthening efforts. In doing so, the Global Fund should be diligent in ensuring that the principles of transparency and inclusion—in particular with respect to CSO and private sector in-country partners—are maintained.
- 33. As an essential measure to assure functional partnerships at the country level, the Global Fund Board should designate in-country representation through explicit institutional partnership arrangements with international partners or—as a last resort—through the direct placement of Global Fund staff representatives.
- 34. The Global Fund and its partners should take steps to increase the inclusion of in-country CSO and private sector partners in country program efforts. The Global Fund, in particular should:
 - a. work with country counterparts and international partners to share effective models for increased participation and strengthening of CSO and private sector efforts across development actors and between countries.
 - b. continue to advocate with host governments for increased CSO and private sector participation in the CCM-Function.

Related Recommendations from Study Areas and TERG Summary Reports

5-Year Evaluation Study Area Report	TERG Summary Report
STUDY AREA 3	

STUDY AREA 1	TERG SA1
<p>2b.</p> <ul style="list-style-type: none"> Based on mapping of needs and capacity, elements of the Strategy could be specified to achieve the goal of sustainable and effective country disease control programs, based on the individual and coordinated capabilities of all country stakeholders (“country owned”). Some countries might benefit from CCM development and capacity building efforts through mechanisms negotiated between the Global Fund and a partner with country presence (UNAIDS, WHO, International Non-Government Organization (NGO), even Bilateral Agency). Others may focus on integrating CCMs within sustainable national structures or strengthening disease control oversight capacity in-country. Countries themselves (especially governments) should be increasingly accountable for sound stewardship, effective technical oversight, and leadership as the size of disbursements and support from the Global Fund for national strategies increase. <p>17. The Global Fund should consider, through proactive steps in mobilizing its partners, strategies for increasing country capacity to prepare successful applications, particularly in high burden of disease countries which have repeatedly applied for funding. This should build on the TA efforts initiated with the STOP TB Partnership and UNAIDS, and more recently with RBM.</p>	
STUDY AREA 2	TERG SA2
<p>5. It is recommended that <i>the Secretariat review the roles and functions of the CCMs</i>, with the goal of strengthening these institutions to play the dual roles of grant application and ongoing monitoring that were initially envisioned. In support of the Secretariat’s efforts in this area, it is recommended that:</p> <ol style="list-style-type: none"> The Global Fund Board to review and update its policies related to CCMs and PRs to ensure that they empower CCMs to play the appropriate performance monitoring role expected of them, including assurance of sufficient financial and technical support to CCM Secretariats In-country partners who participate on the CCM to define their respective roles and responsibilities in line with the Global Fund Partnership Strategy and Global Partnership Framework, vis a vis not only participation in the CCM, but provision of support for strengthening CCM capacity and strengthening CSO and private sector participation in the CCM; In circumstances where the Global Fund is funding national strategies, national leaders to ensure the existence of a CCM-like mechanism for supporting the national strategy implementation. Where alternative and appropriate coordinating bodies exist that are better equipped to carry out CCM functions (e.g., PRSp, SWaP, or health sector coordination committees), the framework for Global Fund operations should be adaptive to the country’s context. Such flexibility on the part of the Global Fund will directly address the often real situations of CCMs “crowding out” existing organizational and institutional arrangements, for which it has been criticized in the past, as well as the “externally imposed” taint that many CCMs suffer from. 	<p>3.2. <i>The Global Fund should pursue its pioneering and proactive engagement of civil society, through encouraging in-country and regional partners to empower civil society organizations to participate actively in Global Fund processes through:</i></p> <ol style="list-style-type: none"> Establishing a technical assistance strategy to provide civil society organizations with the technical, managerial, and financial support to be able to engage as effective partners (e.g. training to become sub-recipients; facilitating access to the CCMs); Developing and supporting new and existing civil society networks to build institutional capacity for participation and policy engagement, in particular through CCM participation; Significantly expanding and strengthening its engagement with the private sector; Encouraging CCMs and Principal Recipients (PRs) to work through various communication channels including the

8. It is recommended that the **Global Fund accelerate its actions to implement the policy to fund national strategies** (approved in April 2007) While progress has been made in rounds 7 and 8, additional actions to support this important move should include, among other things:

- a. Developing clear policies and processes to place the coordination, management and oversight of grant implementation and performance into the hands of existing technical coordination bodies and programs, organized around national disease control and prevention strategies;
- b. Clarifying partnership strategies at all levels, and with the range of partners, for grant implementation, oversight and management roles
- c. Resolving the fit of the CCMs into the country-level architecture of coordination and planning for the health sector and the three diseases
- d. Clarifying the roles of non-government agents in supporting national strategies, particularly in terms of reporting and accountability lines
- e. Resolving the flow of Global Fund monies into the country-level financing structure for the health sector and the three diseases
- f. Continue to innovate through promotion of country ownership and implementation of the performance-based funding model

4. It is recommended that **the Global Fund continue to play a leadership role in supporting the engagement of Civil Society**, through encouraging:

- a. In-country and regional partners to support the establishment/development of networks or CSO steering committees, which can gradually build capacity for true participation and policy engagement.
- b. In-country and regional partners to establish a formalized technical assistance strategy to provide Civil Society Organizations with the technical, management, and financial support to be able to engage as credible partners. (e.g., periodic workshops could be held to train CSOs to become potential sub-recipients; facilitate their access to the CCMs through CSO representatives; or learn more about the Principal Recipients)
- c. CCMs to develop strategies for addressing the transportation and communication challenges encountered by CSOs (most often those located outside of the capital city), to enhance CSO participation in CCMs.
- d. CCMs and/or PRs to work more closely with the media in each country to help achieve transparency about the work of The Global Fund and its partners, including the amount of funding coming into the country what the money is being used for. Community radio, press conferences, print ads and stories can help to inform CSOs about upcoming funding rounds and opportunities to apply as sub-recipients.
- e. CSOs themselves to proactively liaise with the CCM, particularly through functioning CSO networks, to ensure that CSOs that wish to be engaged with Global Fund activities are effectively represented.

media to help achieve transparency about the work of the Global Fund and its partners in country, and informing civil society organizations of opportunities to apply as sub-recipients.

3.3. The Global Fund Secretariat should encourage countries to review and adjust the roles and functions of CCMs, with the goal of aligning more closely with country needs and of strengthening their capacity to fulfil the dual functions of managing the grant application and of managing program oversight processes, supported by appropriate funding. In particular, it is recommended that CCMs be encouraged to establish bi-annual self-evaluations to ensure that they are appropriately adapted to country needs, respecting the original intent that CCMs be an effective mechanism truly inclusive of the relevant stakeholders, while not creating parallel management systems. The TERG's recommendation differs from that of the contractor's in that the TERG recommends that the Secretariat, not the countries, review the roles and functions of the CCMs.

4.3 The Board decided to move towards funding National Strategy Applications in April 2007. The Study Area 2 report from the contractor recommended that the Global Fund accelerate its actions to implement this policy. The TERG recommends that the Global Fund Board:

- a. Clearly define circumstances, criteria and the processes under which national strategies can be funded by the Global Fund, especially ensuring the continued involvement of civil society; and
- b. Ensure fiduciary control, accountability and principles of performance-based funding are maintained to allow program audits.

5.1. Coordination and management of technical support is a country responsibility and the TERG does not agree with the recommendation in the Study Area 2 report that there be a focal organization in each country to coordinate technical support. The TERG encourages the Global Fund and partners to reassure countries that **requests for technical assistance**

f. Consideration within the Global Fund of future adaptation of its own policies, particularly for identifying strategies for incorporating financing of CSO organizational and network strengthening into existing funding mechanisms

6. It is recommended that ***the Global Fund significantly expand and strengthen its engagement with the Private Sector***, at both the global and country levels, in particular addressing:

- a. development of a strategy for engagement and communications with the corporate sector that is more consultative, and recognizes that the private sector can contribute more than just cash to support Global Fund goals;
- b. development of a “generic” strategy which CCMs can utilize to engage the private sector as co-investment partners and active CCM members at the country level;
- c. recognition that coordination with existing complementary private sector activities and programs is another form of partnership;
- d. development of case studies of successful private sector engagement, from both Global Fund and other development agency experiences

14. It is recommended that ***the Policy and Strategy Committee and the Secretariat urgently clarify to countries the full spectrum of Global Fund operations, policies and procedures relating to accessing and spending grant technical support budgets***. Among the operational clarifications required are:

- a. The extent to which plans to ensure availability of adequate TA should be incorporated into the grant negotiation process and be made part of workplan development;
- b. Inclusion of assessments of how country fiscal and hiring policies may affect TA budget disbursement (including internationally sourced TA and long-term TA);
- c. The extent to which clear assignment of responsibility for TA coordination and mobilization at the country level should be required in order for a proposal to be considered technically sound;
- d. Whether grants should include specific technical assistance plans that relate to current budgets, and whether applicants in upcoming rounds should be required to submit a TA plan along with their proposals. An alternative to be considered could be to hold a percentage of a budget as a reserve for TA pending specific allocation, on the basis of subsequent capacity assessments. The Secretariat should examine these alternatives, including their costs and benefits, and prepare a policy paper for review by the PSC and suggested decision points for the Board.
- e. The identification, design and communication of incentives that will encourage PRs to spend TA budgets in an effective, demand-driven manner over the course of the grant life cycle. This can be linked to the new grant performance rating and disbursement decision process, in particular through the required documentation of capacity-building measures implemented by the PR (step 5). These incentives should be extended to include provision of TA to SRs and SSRs, either by the PR or other technical experts.

are considered a strength in any grant proposal.

- f. The role of FPMs in coordinating and managing TA for grants, and for communicating and coordinating with in-country development partners for TA purposes.
 - g. The dismantling of the current EARS and integration of those functions into the existing grant negotiation and PBF systems, in particular building upon the conditions precedent process and step 5 of the newly revised grant performance rating and disbursement decision process.
- 15. At the country level, development and technical partners should mobilize to identify and enable a focal organization or mechanism to coordinate and manage technical support.** This process should be supported by inputs from:
- a. *The Global Fund Secretariat, in active collaboration with partners,* to identify the steps and arrangements that are required to assist countries in assigning the responsibility for TA mobilization and monitoring to a focal organization. It will be important to depart from a one-size-fits-all approach to country-level TA focal points. This evaluation found viable alternatives to the CCM that should be considered as focal points for TA, including country offices of technical partners and PRs of multiple grants.
 - b. *The Global Fund Secretariat, in active collaboration with partners,* to develop a checklist that countries can use during the grant negotiation process when assessing and selecting a TA focal organization, as well as a checklist for the focal organization to use for following a quality-assured TA process. This will support the transparency of the selection process and monitoring of the TA financed by Global Fund grant budgets.
 - c. *In-country partners,* to encourage TA coordination at the country level that incorporates both disease-specific and cross-cutting elements. This type of TA coordination arrangement will more easily transition to the desired funding approach that supports national strategies and plans rather than projects and programs
 - d. *In-country development and technical partners,* to facilitate more effective use of grant budgets for technical support through more active engagement.
 - e. *Fund Portfolio Managers,* to facilitate country partners' engagement through enhanced and direct communications with PRs, SRs and development partners about the specifics of relevant Global Fund policies and available budgets for technical support.
 - f. *In-country partners,* to proactively engage with the FPM, CCM, PR, and SRs to for appropriate identification of how TA needs will be managed, including defining the role of the TA focal organization and other partners in preparing appropriate statements of work (SOWs) for TA by PRs and SRs.

Finding 8: The lack of a robust risk management strategy during its first five years of operation has lessened the Global Fund’s organizational efficiencies and weakened certain conditions for the effectiveness of its investment model. The recent work to develop a comprehensive, corporate-wide risk management strategy is a necessary step for the Global Fund’s future

Synthesis Recommendations:

- 35. The Global Fund should urgently complete its development of a risk management framework, beginning with the development of a risk register within the Secretariat, which makes risk management activities integral components of strategic and corporate planning, operations and decision making.
- 36. The Global Fund Secretariat should utilize the parameters associated with risk of poor grant performance—financial, organizational, operational and political—to determine how resources should be mobilized in support of performance, either by the Secretariat or by in-country partners.

Related Recommendations from Study Areas and TERG Summary Reports

5-Year Evaluation Study Area Report	TERG Summary Report
STUDY AREA 3	
STUDY AREA 1	TERG SA1
<p>19: The Global Fund partnership as a whole should consider the Continuity of Services policy as merely a first and urgent step in dealing with a significant potential threat to the ongoing treatment of patients and the global management of drug resistance. Efforts should be made by the Board to assess the risk of massive treatment discontinuation in different countries and to monitor how responsive the Continuity of Services process is to this risk.</p> <p>20. Consistent with its Monitoring and Evaluation Strategy, the Global Fund should strengthen its grant tracking capabilities, particularly with respect to expenditures by service delivery activity and key budget category. To this end, the Global Fund should consider—</p> <ul style="list-style-type: none"> • Accompanying the planned introduction of expenditure tracking (in January 2008) with additional training for FPMs, LFAs, and PRs. • More systematically monitoring SR-level expenditures and program implementation, either by extending LFA oversight to SRs or, if this option is not cost effective, by requiring PRs to use Global Fund resources to finance other standardized M&E and financial management reporting systems to routinely monitor SRs. • Standardizing the FPM review of PR audits, with assistance from the PSP Finance for the purpose of strengthening the overall quality of this process between the LFA and Secretariat. 	<p>4.4.4 The Global Fund should continue to strengthen its financial tracking to include monitoring expenditures at the sub-recipient level. For effective implementation, additional training will probably be required for FPMs, LFAs, PRs and sub-recipients.</p>

STUDY AREA 2	TERG SA2
<p>9. In the lead-up to funding national strategies, it is recommended that <i>the Global Fund seek ways to resolve the current high level of ambiguity and inconsistency in assigning responsibilities for oversight for performance, provision of TA and capacity-building at the country-level.</i> This will require, among other things:</p> <ol style="list-style-type: none"> a. At the Secretariat level, a review and clarification of guidelines and policies to identify the range of parameters and options for distributing the responsibilities related to oversight of performance, provision of TA, and capacity-building between partners and CCMs; b. Clear stipulation and communication from the Secretariat to ensure that countries clearly understand the parameters and options of expected roles and responsibilities, as well as the menu of options for distribution of responsibilities, so that countries can assign them accordingly, without having to resort to a “one size fits all” approach; c. At the same time, the Secretariat should facilitate the reassignment of the central components of the EARS as functional responsibilities to country-level partners and to the fund portfolio managers. d. At the Board level, ensuring the availability of adequate, appropriate and timely resources to countries to take on these oversight roles. <p>10. It is recommended that <i>the Secretariat systematically identify and address additional requirements for achieving adequate oversight at the sub-recipient (SR) level,</i> in active collaboration with country-level partners. While the development and required submission of SR management plans by PRs is an important step, certain critical issues remain unaddressed, including:</p> <ol style="list-style-type: none"> a. Directly addressing the issue of capacity building, especially for performance monitoring and financial management, at the SR and PR levels b. Identifying the means to secure appropriate and timely technical assistance for SRs, in particular smaller CSOs c. Ensuring the adequacy of resources and instruments available within the Secretariat to assure corporate oversight and exercise fiduciary responsibilities d. Acknowledging the need for significant adjustments to the Global Fund country-level model, including alternatives to CCM oversight in at least some instances e. Developing a plan, based on experience with SR oversight, for how oversight of SSRs and SSSRs may be handled in the future 	<p>4.1. In efforts to improve grant oversight capacity, the Global Fund should support the introduction of country-owned quality assurance mechanisms, through:</p> <ol style="list-style-type: none"> a. Working with country level partners to build sustainable capacity for quality management at the sub-recipient level and a plan as to how quality assurance of sub-recipients and sub- subrecipients may be achieved. b. At the same time working with countries to establish the highest accounting standards and fiduciary controls, for example, in relationship to procurement. To support these initiatives, TERG recommends the Global Fund Secretariat, preferably together with development partners, conduct random audits of grant expenditures by sub-recipients and sub-subrecipients to build financial management capacity and to discourage fraudulent use of funds.

19. *It is recommended that at the Secretariat level, the PR capacity assessment processes be further developed with particular attention to enabling the Secretariat to undertake proactive risk assessment and risk management*, in particular through the assignment of conditions precedents. In addition:

- a. The systematic inclusion of principal SRs in these risk assessment processes should also be considered.
- b. The assessment process should also involve more partners at the country level, including technical partners, and the outcomes used to organize TA over the course of phase 1 implementation.

Finding 9: The governance processes of the Global Fund have developed slowly and less strategically than required to guide its intended partnership model

Synthesis Recommendations:

37. The Global Fund Board should consider shifting to a more ‘partnership-centric’ approach to governance in order to reposition the Global Fund in the global health architecture in a way that maximizes the leverage of its financing to effect major efficiencies in the international system of development assistance for health--specifically focused on AIDS, TB and malaria, but mindful of the broader national health structures and systems that will require strengthening to achieve its focused objectives. Such an approach would involve the Board re-examining the roles and responsibilities presently carried out by the Secretariat, considering which of those roles could and should be played by partners.
38. The Global Fund Board should take steps to reconcile its founding Principles with the unrealized assumptions required for their actualization. Specifically:
 - a. improved country-owned coordination ,with the full participation and inclusion of stakeholders, is required to ensure that the partnership model functions effectively at country level;
 - b. strengthened country information capacities are required to support performance based funding;
 - c. explicit financing mechanisms are required to fully engage the international technical partners.
39. The Global Fund Board should support the development of a more coherent vision and mission statement that sets a hierarchy and contextual boundaries for the application of the Global Fund Guiding Principles, focuses on issues--especially partnership and monitoring and evaluation--which have not thus far received sufficient attention, and defines more precisely the current status and future orientations of the Global Fund business model.
40. The Global Fund Board should provide clear guidance to the Global Fund Secretariat with respect to strengthening or limiting its roles relative to those of its partners in the areas of financing, policy and development assistance in order to better situate and differentiate the Global Fund in the global development architecture.

Related Recommendations from Study Areas and TERG Summary Reports

5-Year Evaluation Study Area Report	TERG Summary Report
STUDY AREA 3	
STUDY AREA 1	TERG SA1
<p>3. To support the implementation of its Strategy, the Board should support the development of a business plan that sets a hierarchy and contextual boundaries for the application of the Global Fund principles. This business plan should assist the Board to (1) focus on issues which have not thus far received sufficient attention (especially partnership and monitoring and evaluation of impact); and, (2) define more precisely the current status and future orientations of the Global Fund business model.</p> <p>4. The business plan should include benchmarks for appropriate balance in resource allocations by (1) establishing minimum standards for effort toward low capacity and high burden of disease countries (by</p>	<p>4.1 Based on the evidence presented, the TERG recommends that:</p> <ul style="list-style-type: none"> • The Global Fund develops a coherent vision and mission statement based on the prioritized guiding principles and as a framework for a future business plan. • The Global Fund’s business plan should include, for all three diseases, the development of differentiated

country groupings and by disease, if not by component); and, (2) establishing the framework and the means-to-ends requirements for ensuring access to required TA (e.g. explicitly stating how TA will be resourced, what contributions will be made by technical partners, what financing options of technical partners by the Global Fund are expected, and how arrangements will affect and maintain the principle of country ownership).

- This recommendation points to a known tension in the Global Fund principles: if the Global Fund exists only as a financial instrument responding to country demands, it can hardly control the balance of efforts across regions, diseases and interventions. However, if the value proposition of the institution is to impact three diseases where they are prevalent first, this calls for proactive steps, which can be defined with partners inside (i.e., Board constituencies) and outside (e.g., technical partners) of the Global Fund. The Global Fund can then reinforce how its principles of being a financial institution and respecting country ownership will be operationalized (for example, through TA arrangements) in the pursuit of this higher purpose.

5. The Board should emphasize the principle of subsidiarity in decision making,⁸⁶ and accordingly seek to test and institutionalize areas for delegation and streamlining of its operations. Specifically, the Five-Year Evaluation recommends the following:

- *Board meeting management:* the Board Chair, Vice Chair, and Executive Director should together establish clear priorities for each meeting, and strengthen the management of the Board meeting agenda (prior to and during the meeting) to ensure that priority issues are (1) appropriately documented; (2) raised early in the meetings; (3) have estimated and reasonable time frames for consideration; and, (4) decided and communicated clearly. The remaining issues would necessarily then be delegated for action to the appropriate structures.
- *Committee Operations:* The Board should improve the management of the number of issues referred to its Committees by more clearly distinguishing between strategic issues—which need to be brought to the full Board for discussion—and operational issues, which can be decided at the committee level and approved by motion by the full Board. Those issues which can be decided at Committee level should reflect discussion of sufficient maturity to facilitate rapid approval by the Board with little discussion. Committees should use a medium-term planning cycle to identify issues and deliverables over a longer period than the present ‘Board meeting to Board meeting’ 6-month timeframe.
- A process for streamlining Board governance: The Board should commission a facilitated participatory review process over the next cycle of Board meeting preparations, Committee and Board meetings, and follow-up. The purpose of this review should be to identify areas for further delegation and streamlining of Board operations, and might include such areas as mechanisms to further strengthen communication

approaches to countries based on: (1) epidemiological profiles; and (2) assessment of country capacity to support disease control programs, including consideration of CCM profiles and functionality.

- The Global Fund’s business plan should include benchmarks for appropriate balance in resource allocation: (1) establishing minimum standards for effort toward countries with low capacity and high burden of disease; (2) explicitly stating how technical assistance will be resourced, what contributions will be made by technical partners and options for financing of technical partners, while respecting country ownership.

4.4 The TERG...emphasizes:

- The Board should focus on strategic issues, delegating operational issues to Committees and Secretariat
- Over the next cycle of Committee and Board meetings, the Board should consider employing an external advisor/facilitator to work with the Board, Committees, and Secretariat to observe and analyze the processes, identifying areas for delegation and streamlining as well as suggesting ways of strengthening communications and working relationships among the three groups.
- The Board should define precisely the assistance that could be provided to resource-constrained constituencies with a large membership, including civil society and communities.

4.4.1 The TERG recommends the following:

- Based on the projections for growth of the Global Fund, the Board should set new budgetary ceilings for the Secretariat and allow the Executive Director to staff within those ceilings according to a well-defined workforce plan.

⁸⁶ The principle of subsidiarity posits that a central structure should perform only those tasks which cannot be performed effectively at a lower level. Accordingly, responsibilities ought to be handled by the lowest competent authority.

and working relationships between the Board and Secretariat, and examine size, structure/number, and terms of reference of committees.⁸⁷ It should rely on a trusted external coach, working with a group representing Board, Committee, and Secretariat leadership. This advisor/facilitator should be allowed to observe and analyze 'from inside' the Board and Committees' operations and their work with the Executive Director and Secretariat.

6. The Executive Director should serve as an ex-officio member of the Board, for the purpose of strengthening the working relationship between the Board and the Secretariat.

- This recommendation is intended to build on the potential for change created by the renewal of all leadership positions, to signal both trust and determination to better differentiate between governance and management functions (see Table 10); and to facilitate appropriate delegation with progress from ex ante control (whereby control of the process is established beforehand by the oversight entity) to ex post monitoring (whereby verification of progress and performance takes place after the fact, leaving the details of the process to the executing entity) of Secretariat management by the Board; (a concept which should "trickle down" within Secretariat management).

7. To facilitate quality representation of Board Members by enhancing their communication with all constituents, the Board should favorably consider proposals for assistance to resource-constrained constituencies. To facilitate these and other strategies, the Secretariat might be asked to take on the role of providing more proactive information to constituencies regarding how they can participate in decisions and Board processes.

Other potential directions might include—

- Constituencies could consider thematic regional meetings to help create a common long-term agenda, as the Partnership Forum has done for Civil Society. These meetings could be planned around already scheduled international conferences, to contain costs. Emphasis should be placed on developing consensus about medium-term issues and then incorporating positions into Board Committee discussions (rather than on short-term and reactive preparation of Board meetings).
- The Board might consider building constituency capacity to develop an agenda for advocacy and advancing policies in a complex governance structure, as a follow-up to the capacity development efforts supported at previous Board retreats.

11: Following up on current efforts of the Secretariat and the GBC, as well as on the Management Review, the Board should continue to monitor the adequacy of resources in terms of budgetary support, as well as the human resource capacity of the Secretariat, to mobilize private sector resources. Consideration should be given to staff support within the Operations unit to sustain co-investment and in-kind contributions (including

The Secretariat size should be increased based on functional needs, and a common understanding of partner roles.

- A medium-term plan for human resources should be established that clearly outlines human resource policies for the coming years.

4.4.6

The Procurement unit in the Global Fund should be strengthened and authorized to work more proactively with partners and look for innovative ways to assist countries with procurement, particularly countries with weak procurement systems where training as well as assistance may be required.

⁸⁷ The evaluation did not have enough time nor was it involved sufficiently in Board internal operations to make more specific recommendations, as its work occurred between Board meetings. Suggestions made to further reduce the number of Committees to only two have not been examined by the Evaluation.

mapping and the monitoring and evaluation efforts that have begun). This is in line with recent decisions for expansion of human resource capacity within External Relations to support growing portfolios on cause-related fund-raising and corporate solicitation.

12: The Board should (1) adopt policies and procedures for accepting in-kind donations (which are not only pharmaceutical), emphasizing co-investment over monetary contributions; and, (2) establish systems for classifying private sector donors (including for-profit corporations, foundations, NGOs, and individuals) and tracking resource mobilization efforts and results going toward disease control.

13. The Board should make a prompt and final decision on its position in relation to the ASA agreement.

- Given the decisions pending on the strengthening of the Global Fund strategy, and potential new distribution of roles between Board and Secretariat, the Management Review may have to be considered as a step in the direction of optimizing the structure of the Secretariat, rather than the final word on the question. The Evaluation further recommends—

14. Based on projections for growth and the findings of the Management Review (including anticipated roles of the different units, sub-units, groups, teams, and clusters), the Board should set budgetary ceilings for the size of the Secretariat, and allow Secretariat management to staff within those ceilings. The Executive Director should prepare and negotiate a workforce plan with staffing projections based on key functions. As part of this plan—

- The capacity (size) of specific Secretariat units should be increased, in relation to functional needs over the coming three to five years.
- The Executive Director should address the fixed-term vs. short-term contract as one of his top priorities. As part of an overall policy to address this issue, the ED might establish a cross-unit management panel to justify and approve any short-term positions (i.e., approve all decisions to use and/or continue a short-term position).
- The central role of Fund Portfolio Managers (FPMs) needs clearer definition in terms of their roles, skills, and quality control responsibilities for operationalizing key strategies of the Global Fund and Board for different country profiles, including; grant negotiation, interfacing with partners and countries, and maintaining in-country oversight.
- Altering the course of evolution of an institutional culture is a challenge and requires a systemic approach—no “silver bullet” or simple recommendation can be offered. The Global Fund has already developed cross-cutting structures and committees to facilitate cooperation between units. These do not need to be reinvented, but steps can be taken to move them closer to the original intent. The Evaluation recommends—

15. The Executive Director should ensure the effective implementation of the following strategies for the purposes of improving internal communication and performance, addressing employee morale issues, and ensuring that the attention of Global Fund leadership is focused on enhancing the overall working

environment of the Secretariat:

- Developing an enhanced Human Resources Development strategy that outlines how the Global Fund will operate in the future. This may address such issues as employee skill set requirements (i.e., knowledge, skills and attitudes), employee support expectations (e.g., working hours, training opportunities and equipment), recruiting and hiring practices (e.g., full time vs. short term hiring, gender and geographic representation goals, etc.), and the organizations' expectations of management (e.g., leadership and operational focus, etc.);
- Developing an enhanced Human Resources Information system for tracking staff turnover, training, employee survey results, and recruiting and hiring; and,
- Developing a concrete plan of action for addressing the seven staff survey issues that have persisted since 2003;
- Modifying the Global Fund's key performance indicators to better monitor organizational performance, as suggested in Table 19.

16. To enhance the ongoing efforts to improve performance management, leadership, and staff development within the Global Fund, the following steps should be considered:

- To facilitate a progressive shift from ex ante (beforehand) control of staff performance to ex post (after the fact) monitoring of achievements and learning from both successes and failures, the Secretariat should establish incentives to encourage, recognize and reward initiative and performance at both the group and individual levels.
- The Performance Management Development System (PMDS) for all managers and future vacancy announcements for senior managers should include specific and measurable supervisory requirement(s).
- The PMDS of EMT and SMG members should reflect planning, supervision, and management skills as critical measures of success.
- A review of the performance evaluation system should be considered for the purpose of enhancing cohesion within and between units, and providing supervisors with feedback from multiple perspectives.
- Supervisors should be rewarded and promoted for demonstrating effective management and leadership skills such as meeting deadlines, completing unit/group/team goals, and efforts to follow-up on performance improvement recommendations that may emerge from an enhanced performance evaluation process.

STUDY AREA 2	TERG SA2
<p>1. To better situate and differentiate the Global Fund in the global development architecture, it is recommended that <i>the Board of the Global Fund provide clear guidance to the Global Fund Secretariat with respect to strengthening or limiting its roles and accountabilities</i> as a:</p> <ul style="list-style-type: none"> a. <i>financing entity</i>, with the capacity required to rapidly disburse and monitor international funds; b. <i>policy entity</i>, with capacity to convene interested parties and advance normative standards; and c. <i>development entity</i>, with capacity to provide technical and programmatic guidance and support. 	<p>2.1. <i>The Global Fund should remain true to its mandate as a financing entity, with the awareness that its scale and scope influence both policy and development issues.</i> To better situate and differentiate the Global Fund in the global development architecture, the Board of the Global Fund should provide clear guidance to the Global Fund Secretariat with respect to strengthening or limiting its roles relative to those of its partners, in the areas of financing, policy and development.</p> <p>4.2 The Study Area 2 Report did not present a recommendation on streamlining all processes but it did emphasize better communication. As the Global Fund has evolved over the last five years, policies and guidelines for all areas—including grant oversight—have been added and adapted to operationalize diverse aspects of Global Fund processes. This has led to a complex web of interdependent policies which often limit the Global Fund’s responsiveness. The TERG considers that:</p> <p>Given its anticipated growth, <i>The Global Fund Secretariat urgently needs to conduct a step-by-step review of its policies, guidelines, and procedures in order to fundamentally streamline and simplify them.</i> The TERG recommends a working group be formed with country partners to conduct this review.</p>

**Annex 3: Status of Global Fund Secretariat Follow-up on Recommendations from Study Areas 1 and 2
Status of Implementing SA1 Recommendations⁸⁸ (1/12/2008)**

RECOMMENDATIONS ⁸⁹	UPDATE
<p>1. Strategy: <i>Focusing the vision, mission, and business plan</i></p>	<ul style="list-style-type: none"> • Principles Framework document organizing and explaining the Global Fund's founding principles: draft developed, EMT to discuss • Preparation of a guidance document explaining the Global Fund model and systems to implementers: draft communication strategy being developed with focus on guidance for implementers • Preparation of a framework showing the range of models to influence the portfolio: analysis underway for the Board discussion
<p>2. Partnership: <i>The core of the Global Fund principles and strategy</i></p>	<ul style="list-style-type: none"> • Board Retreat on partnerships: held 7-8 October 2008; report available • External and internal consultations on partnership in process underway: External consultations: as of October 2008, over 110 individuals representing 13 multilateral, bilateral, and civil society have been consulted • Internal consultations: as of October 2008, 31 staff members across 11 teams have been consulted Three international meetings (Kampala, Geneva, Maputo) leading to the Partnership Forum completed. • Partnership strategy document: Secretariat-wide effort led by new bilateral/multilateral partnership team underway; the draft to be developed after the Board Retreat, final draft due for PSC and Board submission in April 2009

⁸⁸ This table is used by the Global Fund Secretariat to track progress made on the recommendations.

⁸⁹ The specific formulation of the recommendations is that of the TERG/Secretariat and may differ somewhat from the recommendations presented by the independent evaluators in the final SA1 report (see Annex 2 for a summary listing of recommendations from all 3 Study Areas, including the TERG Summary Reports on SA1 and SA2).

RECOMMENDATIONS⁸⁹

3. Governance:

Board overburdened with operational issues

UPDATE

- Facilitating the delegation of authority from the Board to Committees and Secretariat: details to be discussed by the Board

Guidelines to assist Board's resource-constrained constituencies:

- Constituency Guidelines approved, published, and disseminated
- Regional consultations held
- Organization and funding of pre-Board and pre-Committee teleconferences and pre-Board consultations initiated
- Contact databases for Focal Points, SharePoint site for Board Members are being developed

4. Organizational structure:

Need for medium-term human resources plan

- Human resources strategy and policies have been approved
- Review of a budgetary ceiling: budget framework approved in November 2007:
 - Defines "normally acceptable budget size," by reference to ratios based on monetary amounts and number of staff.
 - Allows the Board to gauge the appropriate size of the Secretariat's annual budget according to defined parameters.

Has been applied in 2008 for the development of the 2009 Secretariat budget

5. Processes and Grant Management:

Simplify and innovate

Strategic architecture review underway. Objectives:

- To simplify funding architecture
- To improve harmonization and alignment
- To support and enable portfolio growth
- "Sub-Board" architecture improvement in progress: Phase 2 simplification implemented, new grant management system in testing, review of country requirements initiated

RECOMMENDATIONS⁸⁹

6. Mission Critical Systems:

The need for investment and innovation

UPDATE

- 6.1. Enhanced financial reporting: completed and launched in 2008 (i.e., every grant should report for an annual period ending in 2008). An IT tool is currently being developed to process and analyze the information for the EFR templates. The first reports from the system should be available in time for the first Board meeting of 2009.
- 6.2. Procurement capacity plan: Pharmaceutical Procurement Unit is being strengthened by additional resources:
 - Voluntary Pooled Procurement Team has been formed and staffed, except for one position still under recruitment plus one additional position planned to be filled in 2009.
 - The Pharmaceutical Management Advisory Services (PMAS) Team is being strengthened with allocation of four new positions to be recruited during 2009 in order to provide adequate support to PRs and Country Programs.
- The VPP and CBS services are on track for implementation in Q1—2009:
 - Tender for the negotiating agent has been completed.
 - Tenders for procurement agent, capacity-building services, and supply chain management services are in progress.
- New system for price reporting mechanism (Price and Quality Reporting [PQR]) under final testing stage before launch planned by end of 2008.
- IS Strategy—developed, agreed by management: in implementation.

New Private Sector Campaigns:

- Over \$110 million raised through (PRODUCT)RED, \$10 million through “Idol Gives Back,” \$200 million expected through the Global Malaria Partnership/UN Foundation.
- Pro bono financial capacity building for recipients brokered.
- Regional workshops devoted to co-investments held.
- Private sector officers recruited within each Country Programs regional team, supported by a sub-team in Partnerships Unit.

Private sector partnership strategy drafted by private sector team in Resource Mobilization Unit for inclusion in Partnership Strategy document; private sector team consulted externally with partners on the draft.

Status of Implementing SA2 Recommendations⁹⁰ (1/12/2008)

RECOMMENDATION ⁹¹	UPDATE
<p>1 To better situate and differentiate the Global Fund in the global development architecture, the Board of the Global Fund provides clear guidance to the Global Fund Secretariat with respect to strengthening or limiting its roles and accountabilities as a financing, policy, or development entity. TERG Recommendation: the Global Fund should remain true to its mandate as a financing entity, with the awareness that its scale and scope influence both policy and development issues.</p>	<p>Partners' views explored in the Partner Consultation Meeting, 7-8 September 2008. Most partners are in agreement with the TERG recommendation that the Global Fund remain true to its mandate as financing entity, although some partners point out that the Global Fund does go beyond this mandate and is already involved in some policy arenas (and could play a valuable role); noting that the mechanisms of Global Fund involvement need to be further outlined.</p>
<p>2 The Global Fund Board should seek to open governing body to governing body discussions aimed at leading to direct negotiations of a Global partnership framework.</p>	<p>Partners view this as only partially addressed through governing body discussions. There is a need to address systematic involvement of key partners (e.g. RBM, Stop TB) at the Global Fund Board as well as at country level. Partnership framework models will be addressed in a Partnership Strategy document that will go to PSC in March 2009 and Board in May 2009.</p>
<p>3 Development partners should strengthen their bilateral engagements with the Global Fund.</p>	<p>Bilateral/multilateral team is working with partners on revising MOUs with the Global Fund and developing operational plans to further strengthen partnership. Partners are also interested in developing an "accountability framework" to ensure partnership effectiveness. Global Programs working group (including GAVI, agencies in health, education, and environment) established to engage with the Accra Action Agenda, has identified actions for improvement of aid effectiveness. These proposed actions have been presented to OECD and the PSC. Also, these recommendations need further unpacking: different teams within the Secretariat could take the lead in building and developing specific types of bilateral partnerships such as technical, political, financial, etc.</p>
<p>4 The Global Fund should continue to play a leadership role in supporting the engagement of civil society.</p>	<p>All partners are in full agreement with this recommendation; partners also identified the fit of dual track financing (DTF) and civil society within national strategy applications (NSAs) as critical issues. Civil society team in Partnership Unit is developing a civil society component to be incorporated in the Partnership Strategy document.</p>

⁹⁰ This table is used by the Global Fund Secretariat to track progress made on the recommendations from Study Area 2.

⁹¹ The specific formulation of the recommendations is that of the TERG/Secretariat, and may differ somewhat from the recommendations presented by the independent evaluators in the final SA2 report (see Annex 2 for a summary listing of recommendations from all 3 Study Areas, including the TERG Summary Reports on SA1 and SA2).

RECOMMENDATION⁹¹	UPDATE
<p>5 The Secretariat should review the roles and functions of the CCMs. TERG recommendation: The countries should be encouraged to take responsibility for this review.</p>	<p>The Secretariat through the SPP Cluster has played a significant role in developing the Accra Agenda for Action which calls for increased civil society engagement. Strengthening civil society engagement is a key action area for the Global Programs Working Group.</p>
<p>6 The Global Fund should significantly expand and strengthen its engagement with the private sector.</p>	<p>The Global Fund has commissioned in October 2007 an analysis of CCM Model in 42 country-level case studies. Report submitted and results being reviewed for lesson learning and action. Partners identify the fit of CCMs with NSAs as an issue that needs to be addressed. The Global Fund needs to communicate the full spectrum of policies and procedures related to grant oversight and CCMs at country level.</p> <p>All partners are in agreement with this recommendation. The Private Sector Partnership Strategy has been drafted by the private sector team in the Resource Mobilization Unit for inclusion in the Global Fund Partnership Strategy document. The private sector team is leading the external consultation process based on the draft strategy. The Architecture Review will explore ways of enhanced engagement. Novel business models such as the AMFm foster close engagement with the private sector.</p>
<p>7 The Secretariat should review and enhance its Operational Guidelines, with the objective of contributing to a partnership strategy that supports the partnership framework initiative of the Board.</p>	<p>Operational Guidelines currently being reviewed by CP and SPP Clusters. The proposed Architecture Review will also address this area. Partnership Unit is working with the SPP cluster on the development of an “accountability framework” to measure partnership effectiveness with Global Fund. The Health Advisory Unit (HAU) can contribute to developing the framework for technical partnership.</p>

RECOMMENDATION⁹¹	UPDATE
<p>8 The Global Fund should accelerate its actions to implement the policy to fund national strategies. TERG recommendation: the Board should clearly define circumstances, criteria, and the processes under which national strategies can be funded by the Global Fund, especially to ensure the continued involvement of civil society.</p>	<p>The SPP Cluster is coordinating efforts to launch the first wave of NSAs. The Secretariat, having obtained PSC endorsement, is now seeking Board approval of this initiative. The M&E unit has provided inputs into the development of an M&E attributes and validation process for NSA. This support will continue over the next years.</p>
<p>9 The Global Fund should seek ways to resolve the current high level of ambiguity and inconsistency in assigning responsibilities for oversight for performance, provision of technical assistance, and capacity building at the country-level.</p>	<p>For Board Action. The Architecture Review will explore in detail oversight for performance and will recommend mechanisms for enhanced performance-based funding. Partners strongly advocated the need to communicate the full spectrum of policies and procedures related to grant oversight and CCMs, especially at country level. The lead on communication issues has yet to be identified.</p>
<p>10 The Secretariat should systematically identify and address additional requirements for achieving adequate oversight at the sub-recipient level. TERG recommendation: in its effort to improve grant oversight capacity, the Global Fund should support the introduction of country-owned quality assurance mechanisms.</p>	<p>Procedures for enhanced financial reporting, which will provide information on sub-recipients have been developed. Note: EFR will only show budget versus actual expenditure in total for each sub-recipient so it may highlight SRs in need of additional oversight rather than providing the oversight. The Global Fund model is based on a relationship with a PR who has oversight responsibility on SRs—we need to assess how well the PR is performing that function. During the LFA retendering process, there was a discussion on extending LFA responsibilities to (selected) SRs, but apart from ASP countries where this is required, it was decided not to extend LFA responsibilities). Oversight issues still outstanding.</p>

RECOMMENDATION ⁹¹	UPDATE
<p>11 The Secretariat should comprehensively address the critical issues of data quality that are potential threats to the validity and credibility of the Global Fund’s performance-based funding model and internal monitoring.</p> <p>TERG recommendation: this effort should be conducted together with country and development partners.</p>	<p>A system was developed to measure and improve data quality in Global Fund grants implemented in 2008, including Data Quality Audits (DQA) and M&E Systems Strengthening (MESS) Tool.</p>
<p>12 The Secretariat should urgently develop and disseminate a much stronger, coherent, Fund-wide communications strategy for work with in-country partners.</p> <p>TERG recommendation: the Global Fund staff should act as ambassadors of these principles and should receive training and adequate support to be able to provide clear, consistent, reliable information on Global Fund policies, in particular to those partners working at country level.</p>	<p>Partnership Unit is working with the Communications Unit to address the communications strategy needs related to the Partnership Strategy.</p> <p>A training module has been introduced for all staff in 2008 (face to face and e-learning) for M&E and performance-based funding.</p> <p>In line with the Paris Principles and the AAA, the Secretariat, through SPP Cluster, is developing approaches to (i) align grant cycles with country reporting cycle and (ii) provide transparent financial information to the country budget process.</p>
<p>13 The Board of the Global Fund should clarify, as a matter of highest priority, that it does not at this time directly fund its partners to provide technical assistance.</p> <p>TERG recommendation: the Global Fund should maintain the essential principle that Global Fund monies are provided to fund country programs.</p>	<p>For Board decision.</p> <p>All partners agreed that the Global Fund needs to find innovative solutions for Board consideration regarding TA coordination, funding, and use, including joint resource mobilization efforts between the Global Fund and partners.</p> <p>Partners need to provide evidence of costs for TA support to Global Fund. (Board Retreat Report on Partnership, GF/B18/15, p. 5/14)</p>
<p>14 The Policy and Strategy Committee and the Secretariat should urgently clarify to countries the full spectrum of Global Fund operations, policies, and procedures relating to accessing and spending grant technical support budgets.</p> <p>TERG recommendation: the Global Fund and partners should reassure countries that requests for technical assistance are considered to be a strength of any grant proposal.</p>	<p>For PSC and Board decision.</p> <p>Partners noted that even when TA funds made available at country level, they are not utilized.</p> <p>Partners suggest that the Global Fund consider mechanisms to address effective utilization of TA budgets.</p>

RECOMMENDATION ⁹¹	UPDATE
<p>15 At the country level, development and technical partners should mobilize to identify and enable a focal organization or mechanism to coordinate and manage technical support. TERG recommendation: this would probably not be an effective solution and will create another artificial body not aligned nor sustainable.</p>	<p>For Board decision. Partners fully endorse TERG recommendation on this issue.</p>
<p>16 The new Partnerships Cluster should lead a thorough examination of all aspects of partnerships as these relate to technical and grant implementation support.</p>	<p>In close collaboration with SPP, bilateral/multilateral team led the consultations process that canvassed 5 bilateral, 6 multilateral, 3 CSO partners; 3 country-level consultations; global-level Partner Consultation Meeting and Regional Partner Consultation Meeting of Eastern and Southern Africa in Maputo, Mozambique. The consultation process will continue through Partnership Forum. Partnership Unit is working closely with EQL team in SPP on identification of gaps in SA2 consultation process and operationalization of MOUs.</p>
<p>17 The partners in the global health architecture should clarify together, as a matter of urgency, an operational global division of labor regarding the financing of and technical support to health systems strengthening.</p>	<p>Partners view the Global Fund as moving away from project-based to program-based funding. Links with IHP+ and other initiatives are addressing some of the issues related to global health architecture, but a plan to address fully resourced and costed operational plans need to be further defined. The Global Fund is fully engaged in discussions pertaining to key initiatives such as IHP+, the Catalytic Initiative, the Global Task Force for Innovative Financing, and H8. Health systems strengthening is a cross-cutting issue that is being addressed by various SPE Units as well as the Country Programs Cluster. The HAU plans to “map” various HSS (fragmented) efforts and proposes to play a coordinating role to make these efforts more coherent and cohesive. The HAU will also work with technical partners to make HSS efforts more synergistic.</p>
<p>18 At the Secretariat level, the newly created Strategy, Policy, and Performance Cluster should make the continued improvement of the current performance monitoring system a matter of first priority.</p>	<p>Implemented a new grant rating methodology, which provides a more consistent basis for grant rating. Introduced annual reviews for lower-risk grants. Co-developed a new grant management system allowing data to be used more actively by grant managers. Will explore novel mechanisms for enhanced performance management as part of the Architecture Review.</p>
<p>19 At the Secretariat level, the PR capacity assessment processes should be further developed with particular attention to enabling the Secretariat to undertake proactive risk assessment and risk management.</p>	<p>Considering a work program to develop tools for risk segmentation and risk management. This includes work to develop a comprehensive risk management framework for the Secretariat.</p>
<p>20 The Global Fund Secretariat should develop and articulate a</p>	<p>This will be explored as part of the Architecture Review and the NSAs.</p>

RECOMMENDATION⁹¹**UPDATE**

strategy that allows for a menu of investment approaches to increase the probability that grants will perform well—for example, investing in long-term capacity building, investing in building management capacity, or ensuring alignment and harmonization.
