MONITORING AND EVALUATION STRATEGY

Outline: The purpose of this document is to propose a Monitoring and Evaluation strategy for the Global Fund for the Board’s consideration.

Summary of Decision Points:

1. The Board requests the Secretariat to take note of the points raised in the discussions on the proposed Monitoring and Evaluation strategy and to make a revised version of the document available at the next Board meeting for the Board’s decision.

2. The Board decides that the Monitoring and Evaluation functions of the Global Fund should be managed by a Unit within the Secretariat under guidance from MEFA.
Monitoring and Evaluation Strategy

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Part 1: Executive Summary

1. The Global Fund’s Monitoring and Evaluation (M&E) strategy is based on the Fund’s purpose statement and principles, as set out in its founding Framework Document, and on subsequent decisions by the Fund’s Board. The M&E strategy was formulated considering the needs of different stakeholders, including recipients and donors, as well as the management purposes of the Fund itself. It builds on existing systems for monitoring and evaluation at the country and global levels and satisfies the Fund’s mandate to link resources to results.

2. The Global Fund’s M&E strategy focuses on two main areas:
   a) Performance at the Country Level
      - To verify that Fund investments lead to disease reduction; that funds are managed accountably; and that procurement and supply of health products are managed appropriately;
      - To monitor the functioning of CCMs; and
      - To collaborate with partners to contribute to monitor other key priorities, including additionality and sustainability.
   b) Performance of the Global Fund
      - To monitor the contribution of the Global Fund in attracting additional resources and migrating the impact caused by HIV/AIDS, tuberculosis and malaria in countries in need, thereby contributing to poverty reduction as part of the MDGs; and
      - To monitor and evaluate the performance of the Global Fund as an organization.

3. In accordance with its mandate to link funding to results, the Global Fund has devised a system whereby Principal Recipients of grants request disbursements of funds on a periodic basis based on programmatic and financial progress updates. The Fund decides on disbursements based on grant performance.

4. Methods used by the Global Fund for its M&E Strategy include ex ante assessments, on-going monitoring, ad hoc reviews and case studies, peer reviews, client feedback, and regular ex post evaluations. In addition, the Fund has made provisions for annual audits of the financial statements for all financial parties to the Fund, including grant recipients, the Secretariat and the Trust Fund.

5. The Board of the Global Fund, through the Monitoring and Evaluation, Finance and Audit Committee (MEFA) will provide policy guidance on the Fund’s M&E strategy and oversee its execution. MEFA recommends that an M&E Unit within the Fund Secretariat should have the primary responsibility for executing the Fund’s M&E strategy.
Part 2: Background and Context

2.1. Purpose and Principles

6. As set out in the Global Fund’s founding Framework Document:

   The purpose of the Fund is to attract, manage, and disburse additional resources through a new public-private partnership that will make a sustainable and significant contribution to the reduction of infections, illness and death, thereby mitigating the impact caused by HIV/AIDS, tuberculosis, and malaria in countries in need, and contributing to poverty reduction as part of the Millennium Development Goals.

7. The Global Fund’s Framework Document also establishes a number of principles to guide the Fund’s operations. These principles set out the Fund’s role as a financial instrument (not an implementing entity). They include how and to whom the Fund should provide its financing. Among other principles, the Fund is committed to:

   - Focus on performance by linking resources to the achievement of clear, measurable and sustainable results;
   - Make use of existing international mechanisms and health plans;
   - 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.

8. The Framework Document, as well as subsequent decisions by the Board of the Global Fund, furthermore stress the need to link programmatic and financial accountability with procurement.

9. The Global Fund must be able to monitor progress on an ongoing basis against its goals and principles, demonstrate its added value at country and global levels, and incorporate lessons learned for continuous improvements. At periodic intervals, the Fund must also evaluate progress made in achieving its goals and the effectiveness of its key operational processes, and reach conclusions on how to build on strengths and/or adjust activities and strategies.

10. The Global Fund’s Monitoring and Evaluation (M&E) strategy builds on the work done by the Fund’s technical Working Group on Monitoring, Evaluation and Results Based Disbursement (MERWG).\(^1\) Based on MERWG’s recommendations at the Fund’s Third Board meeting in

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\(^1\) The Monitoring and Evaluation, Finance and Audit (MEFA) Committee took over the functions of MERWG following decisions at the Fund’s Third Board meeting in October 2002
October 2002, the Board endorsed “the principles of transparency, consultation with stakeholders and coordination of Monitoring and Evaluation (M&E) efforts to facilitate optimal use of existing partner capacity, while satisfying the needs of major donors and their internal auditing requirements.” Specifically, the Board decided that the M&E framework of the Fund should:

- Ensure that the Global Fund’s M&E strategy meets the needs of both donors and recipients while minimizing new reporting burdens;
- Be sufficiently robust and independent to satisfy the investors in the Global Fund while minimising the need for separate audits by investors’ own auditors (e.g. national “Government Auditing Offices”);
- Clearly communicate the critical importance to the Global Fund of achieving results and measuring the impact of its resources on target populations;
- Facilitate the communication of results obtained by the Global Fund to a broad range of stakeholders, including NGOs and civil society;
- Allow for a continuous and early lesson learning process for the Global Fund, and facilitate feedback into proposal guidelines for future rounds;
- Use existing mechanisms, where possible, to collect and analyze data;
- Use a limited number of relevant and practical indicators; and
- Use the Global Fund’s leverage to strengthen national M&E systems, including current health information and surveillance systems at global and country levels.

11. The Monitoring and Evaluation (M&E) strategy of the Global Fund, as described in this document, is designed to: (i) correspond to the needs of the Fund’s stakeholders, including grant recipients and donors, as well as to the management purposes of the Fund itself; (ii) to make use of existing M&E systems; and (iii) to allow the Fund to link disbursements of its funds to achievement of results in a straightforward and transparent fashion.

12. A priority for the Global Fund for 2003 is to operationalize the M&E strategy as described in this document. The strategy itself will be reviewed periodically under the guidance of the MEFA committee, and may be subsequently modified by the Board in light of lessons learned, on-going donor harmonization efforts, and the evolving needs of stakeholders to maintain a long term commitment to the Fund and its objectives.

2.2. Needs for Monitoring and Evaluation

13. The Global Fund’s Monitoring and Evaluation strategy is designed to be relevant for grant recipients, donors and other key stakeholders, as well as for the Fund’s own management purposes.

14. Recipients

Principal Recipients (PRs) and sub-recipients of Global Fund grants need to monitor their programs on a continual basis as a management tool to ensure effective implementation and that lessons
learned are incorporated into program planning and implementation arrangements. *Country Coordinating Mechanisms (CCMs)* need to monitor and evaluate the progress made by PRs and sub-recipients to ensure that implementation follows the objectives of the CCM’s proposal. All stakeholders in the fight against the three diseases need to monitor country level public health indicators for HIV/AIDS, tuberculosis and malaria. This is routinely done through *national data systems*.

The Global Fund’s M&E strategy is designed to be supportive of the needs of PRs, sub-recipients and CCMs and to avoid imposing any unnecessary or burdensome reporting requirements. The reporting of information for the purposes of the Fund should, wherever possible, be linked to and supportive of national data systems.

15. **Donors**

Donors to the Global Fund need periodic assurances that their resources are used effectively and are achieving an impact on the three diseases. Donors also have certain audit requirements for donated funds. In addition, donors need to see information on whether the Fund as an organization is performing in a cost-effective manner in achieving its core purposes. Donors also need certain information on the advancement of other aspects of the Fund’s core purpose.

The Global Fund’s M&E strategy is designed to periodically furnish donors with the information they need, including annual audit reports.

16. **Development Partners**

Organizations and institutions working as partners with the Global Fund to support countries to make progress in fighting the three diseases or for related purposes need information from the Fund to effectively target their own cooperation. Other donors need to know where the Fund’s investments are going to guide their own funding decisions. Technical agencies need to know what type of capacity strengthening support partners in recipient countries may need in order to make Fund-supported programs successful.

The Global Fund’s M&E systems should make useful information available to development partners to support their complementary cooperation with countries.

17. **Other stakeholders**

Multiple other entities including, for example, research institutions, media, the public at large, and firms with commercial interests related to the Global Fund’s goals have their own needs for information from the Fund.

The Global Fund should as far as possible make the information it collects through its M&E system available to any interested stakeholder.

18. **The Global Fund**

To ensure that its financing is being employed where it can make an effective difference against HIV/AIDS, tuberculosis and malaria, the Global Fund needs to monitor results achieved by grant recipients. The Fund also need to monitor the functioning of CCMs, including public-private partnerships. Jointly with partners, the Fund furthermore needs to contribute to monitor other key priorities, including additionality of resources and sustainability of efforts, as well as the Fund’s
contributions to mitigate the impact caused by HIV/AIDS, tuberculosis, and malaria in countries in need, and contributions to poverty reduction as part of the MDGs. For its management purposes, the Fund needs to monitor and evaluate its own operational procedures, strategies and policies to ensure cost-effectiveness against its goals and principles.

The Global Fund’s M&E strategy is designed to furnish the Fund with the information necessary to link the regular disbursement of funds to achievement of results by recipients of Fund grants; to collaborate with partners to contribute to monitor other key areas; and to use lessons learned to improve its own performance as an organization.

2.3. The Existing Environment

19. The Monitoring and Evaluation strategy proposed in this document for the Global Fund has been formulated taking into consideration the broader environment in which the Fund operates. One of the major challenges for countries and donors is to obtain quality data for measuring the status of the three pandemics and the impact of different interventions. Currently, there are two principal sources of data for country level monitoring. These are multi-country health information systems and surveys (such as the Demographic and Health Surveys (DHS), the Multiple Indicator Cluster Survey and the World Health Survey\(^2\)) and the individual national data collection systems that each country uses.

20. In many developing countries, routine health information systems are weak. Vital registration systems do not exist in many of the poorest countries or are incomplete. Plans for monitoring and evaluation, if they exist at all, often lack coherence on a national level, require updating and/or are unrealistic in scope. The indicators used to track progress are often too numerous and not clearly defined. Data collection, processing and interpretation are often inadequate, and data utilization is poor, with lack of feedback to lower levels in the system. National information systems often do not provide a complete picture of national disease distribution patterns, as information on high-risk groups is frequently unavailable, and information for district level planning is often poor.

21. Recognizing this challenge, especially in the context of monitoring progress towards the Millennium Development Goals (MDGs), the international community has in recent years made it a priority to support the strengthening of country-level monitoring systems and to harmonize indicators at the global level to measure progress towards the MDGs.\(^3\) For

\(^2\) Surveys available for HIV/AIDS include: USAID/MACRO and other donor-supported Demographic and Health Surveys (DHS), USAID/DFID-supported FHI/IMPACT Behavioral Surveillance Surveys; UNICEF-supported Multiple Indicator Cluster Survey (MICS); USAID-supported MEASURE/Evaluation Sexual Behavioral Surveys; and other national, and donor-supported efforts.

\(^3\) The Paris 21 initiative was introduced in 1999 as an umbrella framework for organizations including the Organization for Economic Cooperation and Development (OECD), the World Bank, and the United Nations agencies; bilateral donors; and developing countries to work
HIV/AIDS, tuberculosis and malaria, special global initiatives to harmonize indicators and strengthen country capacities for monitoring and evaluation include the UNAIDS Monitoring and Evaluation Reference Group (MERG), the Roll-Back Malaria Monitoring and Evaluation Reference Group (RBM MERG) currently chaired by WHO and UNICEF, the UNAIDS and World Bank Global Monitoring and Evaluation Support Team (GAMET), and the recent WHO/Gates Foundation’s Health Metrics Network.

22. Significant progress has been made to agree at a global level on the indicators to measure impact against HIV/AIDS, tuberculosis and malaria. However, improvements in these impact indicators will take significant time to achieve, and there is, especially for HIV/AIDS, a lack of coherence in the intermediary indicators used to measure the process towards achieving impact.

23. The Global Fund’s M&E strategy should as far as possible make use of and contribute to improvements in existing systems. The Fund will support on-going efforts to harmonize indicators and strengthen existing country-level and global monitoring and evaluation systems for the three diseases. The Fund will work with partners to ensure that the systems for monitoring and evaluating grant performance at the country level are linked to existing systems and contribute to necessary capacity strengthening of country level systems. The Fund will also participate with partners to support global harmonization efforts. The Fund will commission a study during the summer of 2003 to further map existing global monitoring and evaluation efforts of relevance for the Fund and to recommend how the Fund could usefully link up with these initiatives.

2.4. Focus, Substance and Methods of the Global Fund’s M&E Strategy

24. Considering the needs for monitoring and evaluation of the Global Fund and its key stakeholders as well as the existing M&E systems at the country and global levels, the Fund’s M&E strategy focuses on two main areas:

a) Performance at the Country Level

- To verify that Global Fund investments lead to disease reduction; that funds are managed accountably; and that procurement and supply of health products are managed appropriately;
- To monitor the functioning of Country Coordinating Mechanisms (CCMs); and
- To collaborate with partners to contribute to monitor other key priorities, including additionality and sustainability of efforts.
b) Performance of the Global Fund

- To monitor the contribution of the Global Fund in attracting additional resources and migrating the impact caused by HIV/AIDS, tuberculosis and malaria in countries in need, thereby contributing to poverty reduction as part of the MDGs; and
- To monitor and evaluate the performance of the Global Fund as an organization against its core purposes to ensure that lessons learned are taken into account to improve the effectiveness of its operational systems, processes and strategies.

25. Both at the country and global levels, the Global Fund will arrange for ongoing monitoring to measure progress at specific points in time. The routine monitoring at country-level will be based on an agreement between the Fund and Principal Recipient(s) on key performance indicators to demonstrate progress towards the achievement of specific objectives based on approved proposals and individual grant agreements. Routine monitoring should provide lessons learned to allow for continuous incremental adjustments to improve performance as implementation proceeds, and will be used by the Fund to make decisions on subsequent disbursements. Frequency and timing will depend on the key processes to be monitored, and the agreed-upon indicators. Routine monitoring will generally be done internally: at the country level by Principal Recipients (with progress updates reviewed Local Fund Agents, the Fund Secretariat and Country Coordinating Mechanisms), and at the global level by the Secretariat (with progress updates reviewed by the Board).

26. In addition, the Global Fund will arrange for regular evaluations of performance in key areas. Evaluations will generally be conducted by external, independent entities. The evaluators will perform a retroactive examination to review the original assumptions made at the time that a program or process was developed, review progress made toward achieving stated goals and objectives, and provide recommendations for building on strengths and/or adjusting activities or strategies.

27. To ensure financial transparency and accountability, annual audits will be conducted, both at the country level for all program financial statements, and at the Global Fund level, for the financial statements of the Secretariat and the Trust Fund.

28. At the country level, the Fund will rely on ex ante assessments in approving grants and ensuring that grant recipients have the required minimum capacities to assume responsibility and accountability for these grants. These assessments will include a review by Local Fund Agents of the M&E systems and capacities of Principal Recipients against minimum requirements. Partners at the country level may be asked to assist in efforts to strengthen capacity where necessary.

29. The Global Fund will commission and collaborate with partners in ad hoc external reviews/evaluations on an occasional basis for specific priorities related to the core purposes of the Fund but beyond its immediate
attribution, for example related to additionality, reaching the poor and vulnerable, sustainability, linkages to existing mechanisms, impact on health systems, and contributions to poverty reduction.

30. The Global Fund will arrange for peer reviews by external experts as needed to further develop, adjust, and improve upon the Fund’s operational strategies and processes. The Fund will furthermore seek feedback from its key stakeholders (e.g., grant recipients, as to whether its processes and procedures are well suited to their needs; and donors, as to whether accountability processes and reported results are appropriate to the resources committed).

31. To ensure that data reported to the Global Fund is valid and of good quality, the Fund will rely on existing quality assurance (QA) systems for both country and global-level impact assessments where these mechanisms exist and are reliable. The Fund Secretariat participates in the Monitoring and Evaluation Reference Group (MERG) of UNAIDS, as well as in similar bodies of Roll-Back Malaria, and Stop TB. These groups are selecting and defining indicators for national and global reporting; appropriate data collection methods; analytical strategies; and dissemination of recommendations. Where reliable mechanisms do not exist, the Fund will collaborate with partners and through CCMs to provide support to the development of data quality assurance systems through its grant financing. To assure data quality in grant performance monitoring, the Fund contracts with independent experts at the country level (Local

**The Global Fund links funding to demonstrated results**

- **Performance Based Funding**
  - Funding should be linked to achievement of targets for key indicators
  - Accountability should gradually shift from process and coverage to demonstration of health impact

- **Fiduciary Arrangements**

- **M&E**
  - Use globally accepted harmonized indicators linked to achievement of MDGs
  - Flexibility to local circumstances and existing practices

- **Fiduciary arrangements**
  - Encourage development and use of globally accepted harmonized donor reporting and accounting standards
  - Encourage use of local existing practices insofar as acceptable to other donors

Global lessons learnt

Responsiveness to local practices

Fifth Board Meeting
Geneva, 5 - 6 June 2003

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Fund Agents) to on an ad hoc basis provide independent verifications of the information provided by Principal Recipients. This is important, given that the Fund has committed itself to a performance-based disbursement system whereby Principal Recipients report data to the Fund upon which funding decisions are made. The quality of this data is thus critical.

**Part 3: Performance at the Country Level**

3.1. Principles, Focus and Methods for M&E at the Country Level

Global Fund monitoring of performance at the country level will be based on Board-approved proposals and agreed-upon indicators included in grant agreements with Principal Recipients. Wherever possible, the Fund will seek to use and build on existing monitoring and evaluation mechanisms. At the country level, the M&E strategy of the Fund will primarily focus on **grant performance**, as indicated by:

- Results achieved in **disease reduction** by Global Fund-supported programs;
- Soundness and efficiency of local **financial management** and flow of funds; and
- Soundness of **procurement and supply management**, including competitive and transparent purchasing, adequate quality assurance, and compliance with national laws and international agreements.

Grant performance will be periodically **monitored** through the Global Fund’s system for **Performance Based Funding** according to key performance indicators, as described below.  

34. **Ex ante assessments** will ensure that proposals are technically sound (by the Technical Review Panel) and that the minimum required systems and capacities are in place for successful grant implementation (by Local Fund Agents) before the first disbursement of funds, A **self assessment** of grant performance (by CCMs based on results and financial accountability as reported by Principal Recipients) will take place before the end of the two years of initially approved funding. The Fund will **review** grant performance on an ongoing basis as a basis for its disbursement decisions as well as for its decision to extend funding to a program for an additional 1-3 years. External **evaluations** of grant performance will take place on an ad hoc basis (may be commissioned by the Fund, by Principal Recipients or CCMs).

35. At the country level, the Global Fund will also monitor the **functioning of CCMs**. This will be done through certain basic **ex ante assessments**

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4. See also Annex 2 and the Board document *Fiduciary Arrangements for Grant Recipients*

prior to proposal approval (by the Secretariat and the Technical Review Panel) and *ad hoc case studies*. In addition, the Fund will collaborate with partners to contribute to monitor other key priorities, including additionality, sustainability, contributions to national disease impact, reaching the poor and vulnerable groups, linkages to other existing mechanisms, health system wide effects and contributions to poverty reduction through *ad hoc case studies and reviews*.

### 3.2. The Global Fund’s System for Performance Based Funding

36. In accordance with its mandate to link funding to results, the Global Fund has devised a system whereby Principal Recipients (PRs) of grants request disbursements of funds on a periodic basis based on programmatic and financial progress updates. The Fund decides on disbursements based on these requests and progress updates.

37. The Global Fund’s system for Performance Based Funding⁶ is designed to:

i. Provide incentives encouraging PRs to focus on results rather than on inputs;

ii. Serve as a management tool for PRs to identify early opportunities to expand effective efforts and to address potential issues;

iii. Furnish the Fund with the necessary performance information to decide on further disbursement of funds;

iv. Provide performance information to the CCM for its oversight and monitoring purposes; and

v. Communicate periodic progress updates to the Fund’s Board and wider constituency.

38. The Global Fund and Principal Recipients monitor the performance of grants through key performance indicators and targets. These indicators and targets are specified by CCMs in their grant proposal and agreed with PRs during Grant Agreement negotiations. Performance indicators will usually initially focus on *process* level achievements. As implementation proceeds, they will gradually shift to focus on indicators related to expanding *coverage*, and when possible, *impact* against disease incidence. The Global Fund’s *Guidelines for Proposals* include an annex with a limited number of *public health indicators* that can be used as relevant and practical to track program performance.⁷ These indicators are the results of on-going harmonization efforts and are currently being discussed and reviewed. The menu proposed by the Fund will evolve over time to reflect harmonization progress and agreements reached with global and other partners on best practice approaches.

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⁶ See *Fiduciary Arrangements for Grant Recipients* and *Guidelines for Performance Based Funding*

⁷ See Annex 1
39. The Global Fund performs *ex ante assessments* of the appropriateness of the indicators, targets, baselines and data collection systems selected by CCMs and Principal Recipients to monitor performance as part of the proposal review process (by the TRP) as well as during Grant Agreement negotiations with PRs (by the Local Fund Agent and the Secretariat). The Fund (through the LFA) also performs an *ex ante assessment* on the strength of the PRs’ monitoring and evaluation systems against minimum requirements. The Fund reviews and approves any proposed adjustments in the selected indicators or targets by PRs during implementation.8

40. Adequate resources need to be allocated by grant recipients for effective monitoring and evaluation. Donor experiences show that 5% to 7% of total annual disbursements to grantees should be targeted toward M&E activities. An appropriate amount of grant proceeds from the Global Fund should be identified in the proposal to be used for M&E purposes. Fund partners at country level are encouraged to participate in the process of improving and strengthening national M&E systems that can then be used to monitor progress of grant implementation without new or duplicative efforts.

41. During grant implementation, Principal Recipients *continuously monitor* progress towards *disease reduction* according to the indicators and targets specified in the Grant Agreement and provide periodic progress updates to the Global Fund along with their requests for additional disbursements of funds. Local Fund Agents perform independent verifications of the quality of data reported. The Fund decides on additional disbursements to PRs based on their disbursement requests and programmatic and financial progress updates. CCMs also receive the progress updates, use these for their own oversight and monitoring purposes, and may comment on implementation progress when appropriate to the Fund. To increase transparency and encourage partner

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8 See *Guidelines for Principal Recipient Monitoring and Evaluation Plan*
participation and feedback, the Fund will make all progress updates received from PRs available on its website.\(^9\)

42. The soundness of the **financial management systems** of Principal Recipients is **assessed ex ante** by the Local Fund Agent before the first disbursement of funds, and **monitored** during implementation through periodic reviews by the LFA of the **Statements of Sources and Uses of Funds** that Principal Recipients submit jointly with their disbursement requests and progress updates. The Global Fund requires all program financial statements to be audited on an annual basis by an independent, qualified auditor.\(^10\)

43. At the end of their fiscal year, Principal Recipients submit a **Fiscal Year Progress Report** to the Global Fund which covers consolidated programmatic and financial information for the program. The Fund uses this report to gain a consolidated view of progress at the country level.

44. At the end of the two year initial funding period, CCMs may submit a **Request for Continued Funding** which include a **self-assessment** of

**Funding decisions will be linked to demonstrated results and – eventually – to public health impact**

**EXAMPLE**

<table>
<thead>
<tr>
<th>INDICATORS</th>
<th>BASELINE 2002</th>
<th>TARGETS VS. ACTUALS</th>
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<tr>
<td><strong>Impact</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of young people who are HIV infected</td>
<td>10%</td>
<td>T 8%  A 9%</td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of young people who correctly identify ways of preventing the transmission of HIV</td>
<td>30%</td>
<td></td>
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<tr>
<td><strong>Process</strong></td>
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<tr>
<td>Number of secondary schools that incorporate HIV prevention into curriculum</td>
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<td></td>
</tr>
<tr>
<td><strong>Measurable activities by quarter</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E.g., Number of teachers trained Curriculum developed</td>
<td></td>
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</tr>
</tbody>
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\(^9\) The Fund has developed Guidelines for its system for Performance Based Funding to communicate the critical importance to the Fund of achieving results and measuring the impact of the programs it funds on target populations; see *Guidelines for Performance Based Funding*.

\(^10\) See the Global Fund’s *Guidelines for Audit of Program Financial Statements*.
progress made based on the Principal Recipients’ cumulative progress updates and reports. The Request for Continued Funding also includes relevant information beyond the responsibility of PRs, including country indicators on disease status; description of the functioning of the CCM; a description of linkages with other related national programs; and the level and distribution of resources at the national level for the three diseases and related purposes. The Global Fund reviews progress made and makes a decision on whether to continue funding the program on a discretionary basis based on performance and the availability of resources.

3.3. The Functioning of CCMs

45. The Global Fund recognizes that only through the active engagement of all sectors of a society will additional financing have a significant and sustainable impact on the reduction of infections, illness and death from the three diseases. Thus, a variety of actors at the country-level, each with unique skills, background and experience, must be involved in the preparation of proposals, allocation, and utilization of Global Fund financial resources. In order to achieve this, the Fund expects grant proposals to be coordinated among a broad range of stakeholders through a Country Coordinating Mechanism (CCM), and that CCMs will monitor the implementation of approved proposals.\(^\text{11}\)

46. The Global Fund monitors the functioning of CCMs in both the proposal development and grant implementation phases, including the effective functioning of partnerships at the country level. According to the Fund’s Guidelines for Proposals for its third round of grants, proposals include information to illustrate the process by which the CCM decided on the elements to be included in the proposal and the nomination of one or more Principal Recipients. The proposals also include information on how the CCM will oversee implementation. The Secretariat will commission ad hoc case studies on CCM functioning and disseminate good practice information widely through the Fund’s website.

3.4. Other Key Priorities

47. Certain areas related to the Global Fund’s core purpose are difficult to attribute to Fund investments and will not be routinely covered by the Fund’s M&E system. However, through collaboration with partners and ad hoc case studies, the Fund will gain access to information in other key areas at the country level, including:

a) **Additionality of resources** Resources from the Global Fund should not replace other resources at the national level for the three diseases or for broader health and poverty reduction purposes. The Fund gains information on national resource allocations through the

\(^{11}\) See Guidelines on the Purpose, Structure and Composition of Country Coordinating Mechanisms
CCM proposals and requests for continued funding. See further description on how the Fund will monitor additionality under part 4.1.1 below.

b) **Disease impact**  
Achieving disease impact at the country level will depend on multiple other factors than the financial support provided by the Global Fund. The Fund will make use of existing systems of national data collection to monitor the performance of grant recipients within the national disease context. Where these systems are inadequate, the Fund allows grant resources to be used to supplement the efforts of other partners to improve and strengthen country level M&E systems. The Fund will also aim to align the performance data provided for its ongoing grant monitoring with broader data collection efforts at the national level. See further description on how the Fund will monitor its contributions to disease impact under 4.1.2. below.

c) **Sustainability of efforts**  
Whether efforts against the three diseases will lead to sustainable results and public health impact in the longer term ultimately depends on a number of factors including political commitment, strengthened health systems, and effective partnerships between different stakeholders at the national level. The Global Fund will collaborate with partners to develop a framework for measuring and monitoring sustainability. Ad hoc studies by Global Fund partners with input from the Secretariat can contribute to this effort.

d) **Reaching the poor and vulnerable groups**  
Funding from the Global Fund is expected to reach the poor and vulnerable (e.g., ARV treatment). Equitable distribution of benefits from Global Fund-supported programs needs to be addressed by CCMs during proposal development and during implementation. Demonstrating that Fund investments reach these groups at the country level requires data according to socio-economic status and disaggregated for key criteria such as (among others): poverty quintiles, gender, rural/urban/peri-urban location, head of households and income sources. Such benefit incidence studies are not carried out routinely in many countries but are becoming more common. The Fund will encourage recipient countries to capture data by socio-economic status, for instance as part of Demographic Health Surveys (DHS), Multiple Indicator Cluster Surveys or the World Health Survey. The Fund may support such efforts through grant proceeds if resources are not available through other sources, and CCMs prioritize this need as part of their proposals. The Fund will also collaborate with partners in conducting ad hoc benefit incidence studies to examine who benefits from the Fund’s investments and support the development of methodologies for tracking e.g., access to ARV treatment.

e) **Linkages to other existing mechanisms**  
The Global Fund recognizes that efforts against the three diseases will be less effective in isolation than if they build on, complement and coordinate with existing regional and national programs in support of national policies, priorities and partnerships, including National Health Strategies,
Poverty Reduction Strategies (PRS) and sector-wide approaches (SWAs). In the Fund’s Guidelines for Proposals, CCMs are encouraged to build on existing efforts. During Grant Agreement negotiations, PRs are encouraged to consider using existing systems and arrangements for implementation of the grant as long as they meet certain minimum requirements. The Fund will on an ad hoc basis monitor linkages between programs it supports and other existing related efforts at the country level, and will collaborate with partners in case studies to illustrate specific country cases.

f) **Health system-wide effects** Global Fund resources may have system-wide impact on health care in recipient countries. This effect may be positive if, for example, overall health service deliveries are strengthened or commodity prices decrease, or negative if, for example, attention is diverted away from other national health priorities or adverse effects result from expanding ARV treatment. The Fund will explore the possibility to collaborate with relevant partners and research institutions to monitor such effects.

g) **Contributions to poverty reduction** In addition to the direct impact on health indicators for the three diseases, Global Fund-sponsored programs may have wider effects on other aspects of social development and poverty reduction efforts in recipient countries. The Fund will collaborate with partners that monitor wider social and poverty reduction effects at the country level and may commission ad hoc case studies to illustrate poverty reduction impact of Fund investments.

**Part 4: Performance of the Global Fund**

48. The purpose of the Global Fund is to attract additional resources to make a sustainable and significant contribution to reduce the impact caused by HIV/AIDS, tuberculosis and malaria in countries in need. Recognizing the difficulty of making specific attributions, the Fund will collaborate with partners and key stakeholders to verify that the resources it attracts are additional and that its investments make contributions towards the global impact against the three pandemics.

49. The Global Fund will also *monitor* and *evaluate* key performance areas related to the effectiveness of the Fund as an organization to deliver against its goals and principles. The Fund will arrange for internal *ongoing monitoring* of key performance indicators to provide lessons learned as a basis for continuous improvements of operational processes, strategies and tools. Regular *external evaluations* of key performance areas will be commissioned on a rolling basis to perform more thorough in-depth reviews and provide necessary assurances to the Fund’s donors, Board and other key stakeholders.

4.1. **Contributions to Global Impact**
4.1.1. Additionality

50. Resources through the Global Fund are not meant to replace recipient country resource allocations for the three diseases or broader health or poverty reduction programs. On the contrary, national allocations should be increasing to reflect higher policy priority due to the urgency of acting against the three diseases. Furthermore, donor resource allocations through bilateral and multilateral partners should also be increasing, rather than decreasing, as a result of the urgency of the pandemics and the need to support capacity-building efforts and help assure the success of Global Fund-supported efforts to scale up. In addition, increased funding for the three diseases must not result in a re-allocation of existing resources dedicated to other important health or poverty reduction initiatives.

51. Measuring resource flows into programs directed towards the three diseases, general health and broader poverty reduction purposes can to a certain extent be done through national budget systems and tracking of donor allocations. However, as changes in these resource flows are caused by a range of factors, it is difficult to make attributions to indicate additionality. Furthermore, there are other resource flows relevant to achieving impact against the three diseases that are not routinely captured through national or global information systems, particularly contributions from non-public sector sources.

52. The Global Fund will monitor its own resource flows on two levels. Firstly, the Fund will monitor the resources it receives by donor source and make this information widely available, including on its website, to contribute to the broader international tracking of financial flows for development purposes. Secondly, the Fund will monitor the investments it makes by targeted disease, country/region, recipient constituency and program area. This will be done through information received in grant proposals, as well as through the Fiscal Year Progress Reports from Principal Recipients. The Fund will make this information available on a country- as well as on an aggregated basis for its investment portfolio.

53. While the Fund itself can ensure transparency of its own resource flows, it will have to link up with partners that have access to information about other resource flows to measure and monitor additionality; i.e., whether donor flows to the three diseases through the Fund are additional or being diverted from other programs for the three diseases.

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12 The OECD Donor Assistance Committee (DAC) regularly reports on donor resource allocations.
13 Academic/Educational Sector, Government, NGOs/Community-Based Organizations, People living with HIV/AIDS, TB and/or Malaria, Private Sector, Religious/Faith-Based Organizations, Multilateral and Bilateral Development Partners
14 Prevention, Treatment, and Care and Support; as well as resources going to Capacity Building and Program Administration
or other development programs; and whether or not governments of recipient countries are changing allocations to the health sector as a result of Fund grants. The Fund will collaborate with relevant partners on broader efforts to this effect, including the private sector, where data are not always readily available.

4.1.2. Global disease impact

54. A multitude of country level and global stakeholders and processes influence the global impact against HIV/AIDS, tuberculosis and malaria. The primary purpose of the Global Fund’s country level system for Performance Based Funding is to ensure that the information requested from grant recipients is relevant for their own management purposes, supports the Fund’s aim to link resources to results achieved, and is consistent with existing systems and supportive of harmonization efforts. The Fund recognizes the inherent difficulties in making specific attributions of specific outcomes/impact to specific donor investments. Rather, the Fund will collaborate with partners to monitor global disease impact in its totality, thereby contributing to poverty reduction as part of the MDGs. The Fund may consider the contributions of its investments to global disease impact in proportion to its level of funding as compared to other financing sources.

55. The Global Fund will collaborate closely with partners to contribute to efforts to harmonize indicators to monitor the global impact against the three diseases as well as the process towards achieving impact. The Fund will also collaborate with partners in other ways to support the strengthening of country and global level monitoring systems.

56. The Global Fund will as far as possible monitor the aggregate results achieved through its investments according to the evolving menu of key public health indicators (included in the Guidelines for Proposals\textsuperscript{15}) and other internationally agreed global indicators that grant recipients may select as relevant for the purposes of monitoring their programs. This will be done through information received in the grant proposals on intended results, through the Grant Agreements negotiations and through the periodic progress updates and reports received from Principal Recipients. The Fund will receive country-level information on progress towards national disease impact through the CCMs in their proposals as well as in their Requests for Continued Funding. The Fund will make all aggregate information on investment results widely available, including on its website.

4.2.: Monitoring and Evaluation of the Global Fund as an Organization

4.2.1. In-house Monitoring

\textsuperscript{15} See Annex 1; to be updated based on the results of harmonization efforts
57. Many of the key performance indicators for on-going monitoring of the Global Fund’s performance as an organization will be established by the Secretariat as part of an annual process to set objectives, work plans and budgets. These objectives, work plans, budgets and key performance indicators are approved by the Board, and will be followed-up as part of an annual review process. An important cost-effectiveness measure is the budget of the Secretariat as a proportion of funds managed compared to other relevant organizations. Key areas for performance monitoring for the Fund’s Secretariat include:

a) **Portfolio Management**  This key operational function of the Fund includes the grant approval process, the process from Board approval to the first disbursement of funds, the on-going performance based disbursement process, the management of funds not yet disbursed to grantees (by the Trustee), and the review of grant performance at the end of the initially approved two year grant period.

In addition to the Secretariat Portfolio Team, partners involved in Portfolio Management include the Technical Review Panel, the Trustee (the World Bank), Local Fund Agents, and grant recipients. Portfolio Management tools that will be periodically fine-tuned based on lessons learned include the Guidelines for Proposals, the Fund’s Fiduciary Arrangements for Grant Recipients (including, e.g., the Guidelines for Performance Based Funding, the Terms of Reference and contract for LFAs, and the Guidelines for Assessment of Principal Recipients).

In addition to monitoring key performance indicators for Portfolio Management, the Secretariat will request feedback from key stakeholders, including grant recipients, on how the Fund’s processes correspond with their needs and invite suggestions for improvements.

The Secretariat will prepare periodic status updates on the progress of the Global Fund’s grants, including levels of disbursements. This information will be made widely available in a printed version as well as on the Fund’s website. Information on grant performance will also be included in the Fund’s Annual Report.

b) **Resource Mobilization**  A core purpose of the Global Fund is to mobilize additional resources for the three diseases. The Secretariat Resource Mobilization Team will monitor total resources committed by donor source (donor governments, private sector, foundations, individuals, etc.) as compared to targets and previous years’ disbursements. Information on resources committed to the Fund will be

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16 Examples of key performance indicators for Portfolio Management may include: time from proposal dead-line to Board approval; average time from Board approval to first disbursement of funds; disbursed funds vs. approved grants; proportion of grants with satisfactory performance ratings; total administrative budget vs. approved grants; cost of LFAs vs. total grant disbursements; Trustee fee vs. interest received vs. funds under management.
made widely available, including through the Fund’s website and in its Annual Report.

c) **Communications** The Secretariat Communications Team is responsible for ensuring that relevant information about the Global Fund, including performance against key indicators on the country and global levels, is effectively transmitted to different stakeholders. A key tool to this end is the Fund’s website. The Secretariat will encourage *feedback* from different stakeholders to improve the effectiveness of its communication efforts.

d) **Administrative Operations** The Global Fund Secretariat handles part of its administration in-house while the bulk of administrative matters are covered by the WHO through an Administrative Service Agreement. The Fund should *monitor* and periodically *evaluate* the cost-effectiveness of this Agreement.

e) **Partnerships** The performance of the Global Fund is not only a function of the operations and strategies of the Secretariat, but also of the Fund’s partners fulfilling their defined roles. Partners include those with which the Global Fund has a contractual arrangement, including the Technical Review Panel, Local Fund Agents, the World Bank in its role as Trustee, WHO as the administrative service provider to the Fund, and UNDP performing the role of Principal Recipient on an exceptional basis. It also includes partners performing roles associated with the Fund’s processes without official contractual ties, including partners assisting countries to prepare proposals to the Fund. The Secretariat will *monitor* the effectiveness of these partnerships in contributing towards the goals of the Fund, and periodically report on progress to the Board.

58. The Board of the Global Fund has the primary responsibility for monitoring the Fund’s *Governance*. The Fund’s Board usually meets three times yearly. In between Board meetings, Board Committees provide policy guidance to the Secretariat. There are currently four Board Committees: the Governance and Partnership Committee; the Monitoring and Evaluation, Finance and Audit Committee (MEFA); the Portfolio Management and Procurement Committee (PMPC); and the Resource Mobilization Committee. Committees are not permanent, but should be based on the needs of the Fund as defined by its Board. The Board will monitor the effectiveness of Committees and *periodically review* the need to prolong mandates, discontinue Committees or introduce new Committees based on key tasks to be performed.

4.2.2. Audits of Financial Statements

59. To ensure financial accountability and transparency, the Global Fund’s financial statements will be *audited annually* by a qualified external auditor approved by the Board. Those financial statements will include the money held in the Trust Fund. The Trust Fund itself is audited annually by the auditors of the World Bank. The audit results will be reviewed by the Monitoring, Evaluation, Finance and Audit (MEFA) Committee and reported to the Board by the 2nd quarter of each year.
4.2.3. External Evaluations

60. The Secretariat will commission external evaluations of selected aspects of the Global Fund’s performance on a regular basis as part of a rolling monitoring program whereby one or two key areas will be reviewed every six months. In this way, lesson learning will start at an early stage and the stresses that external evaluations may put on the Fund as an organisation can be minimised. Key performance areas to be included in these periodic reviews include: Country Coordinating Mechanisms, the technical review process of Proposals, the system for performance based funding, the Local Fund Agent arrangements, Fund partnerships, and governance arrangements.

61. External studies initiated by external parties should generally not receive funding from the Global Fund. External studies not requiring funding should be critically reviewed by the Secretariat and MEFA as to their value to the Fund to prioritize the Secretariat’s time collaborating with such studies.

Part 6: Management Arrangements for Global Fund M&E

62. The Monitoring and Evaluation, Finance and Audit Committee (MEFA) of the Global Fund’s Board provides policy guidance to the Secretariat on monitoring and evaluation issues, and prepares decisions for the Board. MEFA considered two alternatives for the management of the Fund’s Monitoring and Evaluation functions:

i. A Board Committee on M&E (MEFA) would have its own small secretariat staffed by two M&E specialists responsible to the Board. The advantages of this option are that the support to the Committee would be independent from the Fund’s Secretariat, with the ability to monitor and evaluate the operations of the Secretariat as well as the Fund as a whole. Without that independence and direct connection to the Board, its work may risk not being seen as unbiased.

ii. MEFA would not have its own staff but rather be supported by the Fund’s Secretariat. An advantage of this option is that, given the Fund’s commitment to minimize bureaucracy, this would be the simplest solution. Another advantage of this option is that it will be more efficient to ensure effective M&E support for the Secretariat Portfolio Team in monitoring country level performance and ensure proper functioning of the Fund’s system for Performance Based Funding with an in-house M&E Unit. As country level performance is key to the Fund’s monitoring system, MEFA decided that this option would be preferable for the management of the Fund’s M&E functions.
63. **MEFA recommends to the Board that the Committee should not have its own, separate staff but that the M&E functions should be managed by a unit within the Fund Secretariat.**

64. The Fund’s **Executive Director** has the ultimate responsibility for all M&E work of the Secretariat. If approved by the Board, **the Secretariat M&E Unit** would be included in the Secretariat team for Strategy, Evaluation and Program Support headed by a Senior Director. A senior M&E expert with practical country experience and strong liaisons with other M&E experts within the international community would be included in the M&E Unit. The M&E Unit would also include two technical officers. The M&E Unit would be responsible for operationalizing all of the elements included in the Fund’s M&E strategy and to continuously fine-tune this strategy based on experiences, lessons learned and donor harmonization efforts. It would regularly report to MEFA on key performance issues. The M&E Unit would arrange for a **Peer Review** system whereby external experts on an on-going basis provide advice to the Secretariat in key areas.

65. To safeguard independence, the Global Fund’s Monitoring and Evaluation Plan, prepared by the M&E Unit within the Secretariat, should be approved by the Board separately from the Secretariat’s work plan and budget.

66. Other **executing parties** to the Fund’s M&E Strategy include the Secretariat’s Portfolio Team, Principal Recipients, Country Coordinating Mechanisms, Local Fund Agents, the Technical Review Panel, and Partners. External evaluations of key elements in the M&E strategy may be undertaken periodically.

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17 See Annex 3 for a description of Roles and Responsibilities of different parties
### Annex 1: Menu of indicators for monitoring program performance

<table>
<thead>
<tr>
<th><strong>HIV/AIDS</strong></th>
<th><strong>Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevention</td>
<td>Number of people receiving HIV testing (not including testing for routine surveillance)</td>
</tr>
<tr>
<td>Prevention</td>
<td>Number of condoms* distributed or sold</td>
</tr>
<tr>
<td>Prevention</td>
<td>Number of young people aged 15-24 educated in HIV prevention</td>
</tr>
<tr>
<td>Prevention</td>
<td>Number of sex workers reached with targeted HIV/AIDS interventions</td>
</tr>
<tr>
<td>Prevention</td>
<td>Number of men who have sex with men reached with targeted HIV/AIDS interventions</td>
</tr>
<tr>
<td>Prevention</td>
<td>Number of injecting drug users receiving harm reduction interventions</td>
</tr>
<tr>
<td>Prevention</td>
<td>Number of units of blood screened for HIV</td>
</tr>
<tr>
<td>Prevention</td>
<td>Number of cases of STIs treated*</td>
</tr>
<tr>
<td>Prevention</td>
<td>Number of people with access to workplace-based HIV/AIDS prevention services</td>
</tr>
<tr>
<td>Prevention</td>
<td>Number of HIV+ women receiving of antiretroviral therapy to prevent mother-to-child transmission of HIV</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of healthcare facilities offering safe clinical practices**</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of people receiving HIV/AIDS home-based care*</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of people receiving HIV/AIDS palliative care*</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of people receiving treatment for opportunistic infections*</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of people receiving prophylaxis for opportunistic infections*</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of people receiving antiretroviral therapy*</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of HIV/AIDS orphans receiving support</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Tuberculosis</strong></th>
<th><strong>Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of treatment units implementing DOTS</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of estimated new smear-positive TB cases detected under DOTS</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of smear-positive TB cases registered under DOTS successfully treated*</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of persons completing DOTS+ treatment for MDR-TB*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Malaria</strong></th>
<th><strong>Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevention</td>
<td>Number of insecticide treated nets distributed*</td>
</tr>
<tr>
<td>Prevention</td>
<td>Number of net re-treatment kits distributed*</td>
</tr>
<tr>
<td>Prevention</td>
<td>Number of children under 5 sleeping under insecticide treated nets</td>
</tr>
<tr>
<td>Prevention</td>
<td>Number of homes and buildings properly sprayed with the correct dose of insecticide at the correct time</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of uncomplicated malaria cases treated according to national guidelines within 24 hours of onset of symptoms</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of malaria cases treated with non artemisinin-based derivatives*</td>
</tr>
<tr>
<td>Treatment, Care and Support</td>
<td>Number of malaria cases treated with artemisinin-based derivatives*</td>
</tr>
</tbody>
</table>

* Refers to products or treatments financed by resources from the Global Fund
** Includes universal precautions and sterile needles for medical purposes
Annex 2: Performance Based Funding: Basis for Global Fund decisions

### Performance Based Funding: Basis for Global Fund decisions

<table>
<thead>
<tr>
<th>Content</th>
<th>Timing/Frequency</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Disbursement request with funding requirements for the next disbursement period plus one quarter “cash cushion”</td>
<td>First year: within 45 days after the end of PR fiscal quarters*</td>
<td>PR(s)</td>
</tr>
<tr>
<td>• Programmatic and financial progress updates:</td>
<td>Future years: may be provided on a semi-annual basis based on agreement between Global Fund and PR</td>
<td></td>
</tr>
<tr>
<td>– Actual results achieved vs. plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Actual expenditures vs. budget</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Consolidated programmatic and financial information for program for PR’s fiscal year</td>
<td>Within 90 days after the end of the PR’s fiscal year</td>
<td>PR(s)</td>
</tr>
<tr>
<td>• Report by qualified auditor covering all program expenditures</td>
<td>Within six months after the end of the PR’s fiscal year</td>
<td>PR(s)</td>
</tr>
<tr>
<td>• Assessment of implementation progress during first 18 months</td>
<td>Within 60 days after the 18th month of the program</td>
<td>CCM</td>
</tr>
<tr>
<td>• Complementary information as relevant to the program including:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Country indicators on disease status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Description of functioning of CCM and partnerships</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Description of linkages with other national programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Level/distribution of other financial resources at the country level to the 3 diseases and broader purposes related to program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Request for funding for years 3-5 including:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Budget, objectives and expected results</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Proposed changes in implementation arrangements (if any)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Unless another agreement is reached between the Global Fund and the PR during Grant Agreement negotiations based on the PR’s existing reporting arrangements.
Annex 3: Roles and Responsibilities of Executing Parties to the Global Fund’s M&E Strategy

The Secretariat M&E Unit, if approved by the Board, would be responsible for the operationalization of the Fund’s M&E Strategy. It would provide support to the Secretariat Portfolio Team in monitoring the performance of grants through the Fund’s system for Performance Based Funding, including providing advice on appropriate indicators to include in Grant Agreements. The M&E Unit would collect, consolidate and analyze data related to both performance at the country level and the performance of the Global Fund as an organization. It would report to the Board MEFA Committee. The manager of the M&E Unit would collaborate with partners in efforts by the international community to harmonize indicators and strengthen existing country and global level M&E systems as relevant for measuring impact towards the three diseases.

The Secretariat Portfolio Team, working directly with grant recipients, has a key role in the operationalization of the Fund’s M&E strategy. Portfolio Managers will follow-up with Principal Recipients, Country Coordinating Mechanisms, Local Fund Agents, and partners to ensure that the Fund’s Guidelines for Performance Based Funding and the critical importance to the Fund of achieving results and measuring the impact of its resources on target populations are clearly understood. They will conduct Grant Agreement negotiations and, with support from the Fund’s M&E Unit, will agree with PRs on appropriate indicators for measuring intended results during the grant period. They will follow-up on PRs’ periodic disbursement requests and progress updates and decide on additional disbursements and other actions as necessary.

At the country level, Principal Recipients are through the Grant Agreement legally responsible for monitoring and evaluation of the program supported by the Global Fund. This responsibility includes to periodically provide the Fund with programmatic and financial progress updates as a basis for the Fund’s disbursement decisions and to prepare a consolidated Fiscal Year Progress Report and provide a Fiscal Year Audit Report of program financial statements. When Principal Recipients are transferring all or part of the grant to sub-recipients, the PRs should have its own appropriate systems in place to assess and monitor sub-recipient implementation and usage of grant proceeds, including reporting and audit requirements similar to those of the Fund.

The Country Coordinating Mechanism, as the “owner” of the approved Proposal, should provide governance during implementation and ensure that the Principal Recipient(s) implement the Proposal in accordance with the CCM’s objectives. CCM members receives all reports prepared by PRs for the purposes of the Global Fund and may provide comments on implementation issues directly to the Fund Secretariat or through the Local Fund Agent. In this way, the CCM will perform a key data quality assurance function aligned with CCM members own interests of successful implementation of their Proposal. The CCM will decide whether to request funding beyond the two years initially approved by the Fund. For this purpose, the CCM will submit information beyond the responsibilities of an individual PR, including key health indicators, a description of partnership development, linkages between the
program and other national initiatives, and the level and distribution of overall resources at the country level for the three diseases and related purposes.

One Local Fund Agents (LFA) is normally contracted by the Global Fund for each grant receiving country to provide independent verifications of information reported by Principal Recipients throughout implementation. The LFA will verify the accuracy of each progress update provided by PR(s) as a basis for the Fund’s disbursement decisions. The LFA will also provide an ex ante assessment of the PR(s) system for monitoring and evaluation, including the indicators and targets suggested by the PR to monitor program progress, and identify any critical functional gaps that may need to be addressed.

Development partners, including WHO, UNAIDS, the World Bank and other UN agencies, as well as bilateral agencies, work closely with countries in multiple ways to assist them strengthen their monitoring and evaluation capacities. The role assumed by each development partner in-country in support of Global Fund related M&E functions in-country will depend on the country context and the specific proposal to be implemented, and decided through the CCM. WHO has established and maintains important data bases on indicators relevant for the diseases which is published from time to time.

The Technical Review Panel (TRP) has a key role to review and evaluate the objectives of grant Proposals to the Fund, including the suggested key indicators to measure performance.

Independent qualified financial auditors will conduct annual audits of the financial statements of the Secretariat, the Trust Account and all grant program financial statements.

Qualified external evaluators will be contracted by the Global Fund to perform reviews on key performance areas.