

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

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EXECUTIVE SUMMARY

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

INTRODUCTION

The Global Fund to Fight AIDS, Tuberculosis and Malaria was born in response to a series of global realities that had coalesced by the end of the 20th century. New knowledge about the scale of epidemics—especially malaria and tuberculosis—and a deeper understanding of the complex causal links between poverty, development, and disease pushed international issues of public health to the center of the world’s development agenda. At its first meeting, the Board adopted its framework document, which outlines the guiding principles for the organization and clearly established its purpose in relation to the global development agenda: “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.”¹

The Five-Year Evaluation focuses on three Study Areas (SAs): 1) organizational efficiency and effectiveness of the Global Fund; 2) effectiveness of the Global Fund partnership environment; and, 3) impact of the Global Fund on the three diseases (HIV/AIDS, TB, and malaria). Study Area 2 sought to address two overarching questions²:

How effective and efficient is the Global Fund’s partnership system in supporting HIV, TB, and Malaria programs at the country and global level?

What are the wider effects of the Global Fund partnership on country systems?

The work of SA2 involved primary and secondary data collection and analysis, both qualitative and quantitative, at the country and global levels. The central data collection approach used by

¹ The Global Fund Framework Document

² Annex AA includes the scope of work and the detailed set of evaluation questions that SA2 sought to address

Study Area 2 was the Country Partnership Assessment (CPA), which was essentially an in-depth qualitative assessment carried out in 16 countries³ by teams of 4-6 researchers over the course of two to three weeks, utilizing a standard set of interview protocols, respondent selection criteria, and data analysis tools. CPA teams conducted interviews with more than 60 partners and stakeholders in each country. In addition to the CPAs, in-depth interviews with grant implementers, country and global development partners, and other stakeholders formed the backbone of this evaluation. More than 850 individuals were interviewed; this data was supplemented by extensive literature review and in-depth review and analysis of performance data on Global Fund grants.

It is important to point out that a qualitative evaluation of this scale, focusing on issues of partnership and effects on program performance and health systems effects, had not been undertaken before. Methodologically, there is relatively little experience in assessing and comparing partnership efficiency and effectiveness, particularly in the context of disease control, with correspondingly few metrics or measurement approaches. While Study Area 1 was able to draw on the body of organizational and management assessment methods and studies that has developed since the 1950s, and Study Area 3 utilizes established epidemiological methods of evaluating public health impact, Study Area 2 explored the partnership aspects of the Global Fund that most define its uniqueness, with the result that new evaluation and measurement approaches had to be developed and implemented during the course of this study.

OVERVIEW OF FINDINGS FROM STUDY AREA 2

The Five-year Evaluation finds that in just six years, the Global Fund has made notable, and often significant, contributions towards its original aims. It has:

- Attracted nearly 18 billion USD from a variety of sources, both government and private. This achievement has been a major advancement of a partnership approach to development aid, and constitutes a new model for a global public-private partnership for health.
- Achieved an exceptionally rapid start-up, disbursing 10.7 billion USD committed to 136 countries by June 2008. This rapid roll-out utilizes a demand-driven funds release mechanism that nevertheless retains a rigorous technical focus, which has not before been used at such scale.

³ Burkina Faso, Cambodia, Ethiopia, Haiti, Honduras, Kenya, Kyrgyzstan, Malawi, Nepal, Nigeria, Peru, Tanzania, Uganda, Vietnam, Yemen, Zambia

- In so doing, it has played a significant role in moving the world from a situation of severe resource scarcity in fighting the three diseases to one of much greater resource availability. Though the level of finances committed to the fight against the three diseases has not yet matched resource needs based on epidemiological estimates, the resources available and the future trajectory set for the size of the Global Fund at the 15th Board meeting have already considerably altered the context for recipient countries, program implementers, and the technical partners of the Global Fund.
- Established itself as a key component of exceedingly and increasingly complex development architecture. Moreover, the Global Fund model is purposely and significantly changing the paradigm of how development assistance is delivered. The model of working through partnership arrangements that put very large amounts of funding into the hands of countries for managing their own solutions to combating the three diseases is changing the basic calculus of development cooperation in health. This model is shifting the paradigm of development assistance from one based on programs largely defined by donor requirements and priorities to one that is demand-driven and country-led, with the participation of sectors that had not traditionally been involved in disease control decision-making at national levels, such as civil society, persons and communities affected by the diseases, and the private sector.
- Included new constituencies through an original governance structure that promotes transparency, diversity, and consensus-building. In some countries, this governance structure has provided the impetus for government and civil society dialogue which did not exist before, and has worked to diminish the stigma associated with HIV/AIDS and in some cases, tuberculosis, opening up avenues for potential further social change.
- Established exceptionally high standards for transparency in its operations. This has been achieved through the inclusion of more diverse constituencies in its governance structures at country and global levels; through the implementation of the performance-based funding model that emphasizes financial accountability as well as program performance; and, through the effective use of the internet for communications.
- Promoted an accountability ethic to its grantees through a performance-based funding model that is country-owned and led. While performance-based funding is not a new approach, the Global Fund has succeeded in applying it at a greater scale than had been done before.
- Implemented a performance based financing system that has created positive incentives for implementing partners to work quickly and efficiently, while increasing their accountability.
- Made important contributions to strengthening health systems by providing financing that was not previously available, and by insisting on a continued focus on health systems strengthening, even in disease-specific funding. In addition to the provision of financing, a significant contribution of the organization to health systems strengthening

has been the performance-based funding model, in terms of strengthening monitoring and evaluation and financial management systems.

- Functioned entirely without a stand alone field structure of its own, and with a lean headquarters structure, relative to other comparable development agencies of similar scale.

In summary, therefore, the Global Fund was created as a bold, new experiment in international cooperation and this Evaluation found that its first five years of operation validate the merits of the experiment and furnish solid grounds for its continuation and expansion. Study Area 2 also found evidence that the paradigm shift is still ongoing for many partners at all levels of the Global Fund model, and that the intent of and expectations from the Global Fund are often filtered through 60 years' experience of a different development assistance model.

This report also shows, however, that the model of the Global Fund is still very much a work in progress. The partnership environment presents a mixed picture, characterized by numerous strengths and undoubted successes, along with areas of often unanticipated difficulty and weakness. The Evaluation found there to be a number of areas within the partnership system that will require attention if the Global Fund is to maintain positive momentum and to progress from the initial results it has achieved, and thereby position itself to significantly expand into the future. The experience to date with the paradigm transition has yielded many valuable lessons and has also highlighted obstacles that need to be addressed, including:

- At the global level, progress has been limited in defining the place of the Global Fund in the global architecture relative to other major actors, such as the World Bank, WHO, UNAIDS, and AfDB, particularly with regard to the financing and supply of technical support and health systems strengthening initiatives. Much more is required in the way of better delineations of an international division of labor. This cannot, however, be accomplished by the Global Fund alone. Progress here is impeded by institutional inertias in other organizations and an established propensity to express agreement at the high level of principles but not to translate these into operational parameters.
- Evidence from this evaluation indicates positive linkages between health systems strengthening and the Global Fund framework of requiring and catalyzing a focus on health systems as a component of its financing on disease-specific interventions. The magnitude of Global Fund financing coupled with its partnership model indicate, however, the potential for an especially strong leadership role in promoting the development of a financing framework for global health systems strengthening activities. To the extent that the Global Fund decides to exercise this potential, it could contribute substantially to improving the overall architecture for international development by facilitating enhanced donor role and division of labor differentiation and improved coordination and harmonization of effort.

- At the country level, interactions with the Global Fund are very uneven and depend far too much on individual relations and the capabilities of individual GF portfolio managers. If the Global Fund is now to scale up its activities to the levels envisaged and required to achieve impact, it will be important to establish more integrated institutional approaches and more systematic institutional guidance across several key areas (e.g., technical assistance, health systems strengthening, performance-based funding, CCM requirements, and grant management and oversight responsibilities).
- Overall, the Global Fund is in urgent need of systemic and strategic arrangements to secure reliable, timely and high quality technical assistance. An effective and efficient system for technical support to Global Fund grants does not yet exist. This is largely an extension of the problem of confused international divisions of labor, but is also consequence of in-country confusion that is preventing the development of effective partnerships for technical support mobilization. Importantly, although in-country partners are well-positioned to identify TA needs and facilitate access to TA resources, in many cases they do not engage actively enough with grant implementation partners. Although the Global Fund can do much more to facilitate the engagement of development partners, many partners also need to clearly determine how they will support grant activities in support of achieving global public health goals.
- Also at country level, the locus of implementation of Global Fund-financed activities is now heavily weighted at the sub-recipient and even sub-sub-recipient levels, while the effective operating model of reporting, monitoring, measurement of outputs and outcomes and instruments for accountability, does not function systematically or even at all at this level. While the Secretariat has to date taken the approach that SR management is the responsibility of the PR, much more systematic performance monitoring and fiscal oversight requirements are urgently needed for the model of the Global Fund to minimize the potential for funds misuse and to maximize the potential for achieving strong grant performance.
- The Global Fund's main instrument for grant management and funds oversight is the PBF system. This evaluation found that in many respects the Global Fund's model of PBF is a work in progress. While most countries have had previous experience with some form of PBF, the comprehensiveness and stringency of the Global Fund's approach is still something the majority of implementers are becoming accustomed to. The Fund itself has learned much from the application of the model over the past five years, has made several important adjustments; others are envisaged. This continuous learning is noteworthy, given the inherent complexity of performance monitoring and assessments in complex environments. The findings of this evaluation reinforce the need for further changes and adjustments in policies and implementation of the PBF model, if it is to provide the Global Fund with the information it needs for effective oversight of grant funds.
- As a large scale experiment, the Global Fund's performance-based funding model is mostly a success; however, there exist threats to its credibility mainly due to data

validity, appropriateness, and management. The current system does not promote or support the entirety of Global Fund principles and objectives in a comprehensive manner; there remains much work to be done to strengthen the design of the performance monitoring system and to institute data quality assurance systems. The Global Fund is aware of this, and is undertaking measures to improve the grant performance monitoring and rating systems. This evaluation identified additional areas for urgent focus, including better integration of service quality, gender, income equity and disease impact measures into the performance monitoring system and grant rating rubric.

- Although the stated intent when the Global Fund was being designed was that it should function as a “financing only institution”, it has, in fact, evolved into more than that. It does not provide direct technical assistance, but manages processes and acts as a broker for the provision of technical services, including pooled procurement. This entails accountabilities for full service delivery, not merely for financial probity. This evolution is logical and essential to meet the requirements of a public, international development organization for both effectiveness and due diligence. These and other functions of a prescriptive nature are not, however, those of a “financing only institution”. They require supportive capacities in highly specialized areas and high level professional staff to fulfill these functions. Thus, while the Global Fund remains a “mainly financing” organization, there needs to be strategic clarification of how far the Global Fund will venture into more technical and program management areas, as the organization plans for the next 5 to 10 years of operations, following its impressive and rapid start-up.

To differing degrees, the lessons and challenges discussed in this report are already well known to the Secretariat and, in some cases, measures are taking place or being designed to address them. The challenge for the Global Fund and its partners is to proactively manage the further evolution of the transition process, while assessing its own policies, systems, and implementation procedures and to remove any unintended barriers to successful transition that have emerged.

The report begins with findings from the Study Area 2’s exploration of critical factors in the global development architecture and the Global Fund’s partnership environment; it next considers the accomplishments and challenges faced by the partnership model in terms of factors that influence capacity for grant oversight and management, the technical assistance mechanisms that should contribute to strong grant performance, and health system strengthening and system wide effects that are hoped to result from the Global Fund’s efforts. (The issue of health systems strengthening will be reviewed further in the Final Synthesis Report of the Five Year Evaluation of the Global Fund, which will be completed once all 3 study areas have concluded).

This Executive Summary presents only key findings and priority recommendations specific to each of the six chapters⁴ of this report. All supporting evidence and analyses are presented and discussed in detail in the body of the report.

CHAPTER- SPECIFIC KEY FINDINGS AND RECOMMENDATIONS

KEY FINDINGS: THE GLOBAL FUND IN THE DEVELOPMENT ARCHITECTURE

The question of the Fund's location, niche or comparative advantage in the global system for international development is not easily answered. Fifty years ago, a handful of institutions comprised the international development architecture; the situation is vastly different today, with more than 20 regional and sub-regional banks, more than 60 bilateral development agencies, over 100 UN agencies and institutes, thousands of large and small NGOs, and a wide array of private foundations joining the IMF and World Bank in financing development activities. An examination of a random number of the 53,750 international development organizations listed in the Directory of International Organizations, shows that the mission statements and program emphasis of most claim to be active in international health delivery, especially in AIDS-related work. The result is a bewildering array of bilateral, multilateral, non-governmental, private, and hybrid organizations such as the Global Fund, who are active in health, and characterized by overlapping functions resulting from a confused or non-existent division of labor.

By virtue of the size of its financial size and consequent convening power, the Global Fund will inevitably influence policy and development functions in the global development architecture to at least some extent. Achieving this may comprise one of the main contributions the Global Fund can make in the fight against the three pandemics and as a provider of international public goods. Nevertheless, "mission creep" has proved to be a defining feature of international development organizations and the same pressures are evident in the Global Fund. Without an explicit limitation and alignment of roles of its partners, the policy and development functions of the Global Fund are likely to continue to expand, particularly into areas where the capacities of partners may be poorly resourced in spite of strong mandates and/or expandable organizational capacity. Where there is ambiguity in organizational role or the financing intent of Global Fund, the ability of international partners to mobilize international resources is compromised,

⁴ Global Fund's Fit in the Global Development Architecture; the Global Fund Partnership Environment; Grant Oversight Capacity; Technical Assistance; Health Systems Strengthening; Determinants of Grant Performance

including for functions on which the success of the Global Fund is dependent. This will ultimately affect the extent to which the Global Fund can influence and reform the global development architecture.

RECOMMENDATIONS: THE GLOBAL FUND IN THE DEVELOPMENT ARCHITECTURE

1. To better situate and differentiate the Global Fund in the global development architecture, it is recommended that ***the Board of the Global Fund provide clear guidance to the Global Fund Secretariat with respect to strengthening or limiting its roles and accountabilities*** as a:
 - a. *financing entity*, with the capacity required to rapidly disburse and monitor international funds;
 - b. *policy entity*, with capacity to convene interested parties and advance normative standards; and
 - c. *development entity*, with capacity to provide technical and programmatic guidance and support.

Clearer definition of these roles will best be achieved through dialogue and agreements with partners, but the Global Fund must also give internal strategic thought to these issues.

KEY FINDINGS: GLOBAL FUND PARTNERSHIPS

The Global Fund model of partnerships has produced a paradigm- and power-shift in the international and national discourse on human health. This model has opened spaces for dialogue and participation that would not otherwise have existed. This has raised expectations among in-country and global partners, and now requires, to an increasing extent, the consistent participation and engagement of a broad range of stakeholders, including CSOs, the private sector, and affected persons and communities.

Example of progress notwithstanding, the core components of the partnership model do not yet comprise a well-functioning system for the delivery of global public goods. The lack of clarity and consistency about partner roles and responsibilities has resulted in diverse expectations about the essential support countries need to receive, which partners are expected to meet them, and the financing for providing that support. Carefully differentiated approaches, specific partnership strategies and the establishment of priorities that are proposed and agreed on by all parties are essential, if the Global Fund is to productively engage partners and attain its objectives of scaling up and achieving impact on the three diseases and the MDGs.

The Global Fund's partnership model requires a dynamic approach to developing, nurturing, and sustaining partnerships, one that recognizes that the different stages of partnership

development are not always linear and fixed, but more often flexible and iterative. This evaluation expects that the Global Fund will consider different stages of partnership arrangements when moving forward with the recommendations presented below.

RECOMMENDATIONS: GLOBAL FUND PARTNERSHIPS

Recognizing that its success is critically dependent on effective and efficient partnerships, ***it is recommended that the Global Fund continues to seek a clarification of the roles and responsibilities of other entities at both global and country levels.*** This requires not only initiative and leadership from the Global Fund, but also willingness, commitment, and follow-through from the Global Fund's partner organizations. Specifically, partnerships need to be clarified with regard to strategy and operationalization, in six inter-related areas:

2. It is recommended that ***the Global Fund Board 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, 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:
 - a. The need for a division of labor 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.
 - b. the fiduciary, oversight, and technical support requirements of programs within the Global Fund portfolio;
 - c. the specific roles of partners that will add value to different stages of the grant life cycle;
 - d. more systematic inclusion of partners that support tuberculosis and malaria in high-level discussions and planning.
3. It is recommended that ***development partners strengthen their bilateral engagements with the Global Fund***, in particular by:
 - a. 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;

- b. Ensuring active engagement of the partner organization at the country level with respect to both CCM participation and support of grant implementation;
 - c. 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 CCMs.
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.
 - 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
5. It is recommended that ***the Secretariat review the roles and functions of the CCMs***, 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:
- a. 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

- b. 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;
- c. 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.

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

7. It is recommended *that 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*, with a particular focus on:

- a. the roles and responsibilities of the Global Fund's Fund Portfolio Managers in facilitating partnership and communications among partners at the country level;
- b. the roles and responsibilities of the new Partnership Cluster in facilitating and catalyzing partnerships at the global and country levels;

- c. communications between and among different clusters and units in the Secretariat, and between the Secretariat and country-level partners.

KEY FINDINGS: GRANT OVERSIGHT CAPACITY

The Five-Year Evaluation found that grant oversight capacity at both the country and Secretariat level has been evolving rapidly, in line with experiences gathered over five years of financing and implementation. The Global Fund is challenged in the area of grant oversight by the inherent tensions in its model, between the principle of being a “financing-only” institution, which would require little oversight capacity; the principle of performance-based funding, which requires substantial oversight capacity; the principle of country ownership; and its dependency on partnerships for effective grant implementation. Once these tensions are clearly recognized and resolved by Global Fund leadership, the path to ensuring adequate and appropriate oversight capacity at both the country and Secretariat levels will be much clearer.

The challenges faced by grant recipients and implementers regarding effective grant management and oversight result from a combination of unclear policies for assigning roles and responsibilities, partially operationalized policies regarding alignment, and lack of sufficient capacity and expertise at the country level. Many of these challenges could be efficiently addressed if the Global Fund were to act on the policy approved in April 2007 to move away from funding single grants and move toward funding national strategies. This would also resolve many of the tensions regarding locus of coordination for technical aspects of disease control, which many countries experience when trying to combine the three diseases, for which there is little epidemiological or programmatic basis. This is reinforced by the finding that countries with one unique PR for all grants demonstrate best practice examples for SR management and oversight, and improved mobilization of technical support to grants, and that several countries have developed sub-CCMs specific to each disease. A rapid move to funding national strategies would relieve much of the transition tensions that the Global Fund model is facing. Where the Global Fund would continue to innovate would be in terms of country ownership and performance-based funding, which have emerged as two of the stronger achievements in its first five years of operations.

RECOMMENDATIONS: GRANT OVERSIGHT CAPACITY

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
9. In the lead-up to funding national strategies, it is recommended that ***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.*** This will require, among other things:
 - 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.
10. It is recommended that ***the Secretariat systematically identify and address additional requirements for achieving adequate oversight at the sub-recipient (SR) level***, 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:
 - 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

11. It is recommended that *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*. 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:

- a. *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.
- b. *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.
- c. *At the Board level*, consider policy changes that would allow outcome achievement to directly enter decisions for continued financing. 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. *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.
- e. *At the country level*, ensure that PRs only require essential data from SRs.
- f. *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.

- 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.

KEY FINDINGS: TECHNICAL ASSISTANCE

The Five-Year Evaluation found that an efficient and effective system for the provision of technical support to Global Fund grants does not yet exist. At the global level the Global Fund has not sufficiently clarified and led the coordination 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. This is largely an extension of the gap created because the Global Fund has not developed an adequate overall partnership strategy, which would also facilitate timely and reliable provision of high quality technical support.

At the country level, the Five-Year Evaluation found that the confusion regarding roles and responsibilities for TA needs identification and mobilization are even more pronounced. The extensive, consistent, country-level confusion about Global Fund guidelines and policies regarding funding of TA is preventing the development of effective partnerships for TA mobilization at the country level. The mere availability of TA funds in the grant budgets has not been sufficient to meet the demand for TA. Importantly, in-country partners in health, in particular for HIV/AIDS, TB, and malaria, do not engage actively enough with PRs and CCMs to keep tabs on grant implementation challenges and emerging TA needs of PRs, SRs, and SSRs.

Overall, the Global Fund is in urgent need of systemic and strategic arrangements to secure reliable, timely and high quality technical assistance. An ideal technical assistance model would first organize partners according to a grant life cycle framework, explicitly plan for sustained local capacity building according to that framework, and utilize a somewhat centralized (at the country-level), well-coordinated, efficient, and quality-assured technical assistance request process. Effectiveness and coordination at the country level could be further increased by aligning HIV/AIDS and malaria proposals with global plans and strategies, as has been done for TB. Achievement of this will require multiple policy decisions and a number of sequenced actions. Recommendations for the types of actions needed to improve the efficiency and effectiveness of technical assistance are provided in the following section.

RECOMMENDATIONS: TECHNICAL ASSISTANCE

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.
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.

- 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.

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.

KEY FINDINGS: HEALTH SYSTEMS STRENGTHENING AND SYSTEM-WIDE EFFECTS

The Five-Year Evaluation found that the Global Fund's most significant contributions to systems strengthening, aside from financing and scale up of effective interventions, have been through its performance-based funding model. Its most definitive, and defining, contributions to HSS have been in terms of strengthening M&E and financial management systems. In addition, the Global Fund's inclusion of CSO, and to a more limited extent, the private for-profit sector, has further reinforced the shift in health systems from a previously exclusive focus on publicly-funded health programs, to a more comprehensive systems perspective. These contributions now need to be consolidated in order to increase their effectiveness, building on the current "diagonal" approach. Global and country partners underscored consistently to the SA2 review that factors of alignment and harmonization are the most critical keys to successful health systems strengthening using a diagonal approach.

The Evaluation also found, however, that Global Fund contributions to health systems strengthening were consistently limited by unaligned and non-harmonized activities and systems. The challenge remains that the capacity of the health programs at country level are weak specifically in the area of design of HSS strategic actions. The effectiveness of Global Fund HSS financing can be adversely affected as a result, as HSS strategic actions are likely to suffer from poor design, weak M&E, and little harmonization with global HSS initiatives. Appropriate policy decisions and strategy development within the Global Fund and through appropriate and clear partnership arrangements for HSS at the country level can mitigate this risk.

RECOMMENDATIONS: HEALTH SYSTEMS STRENGTHENING AND SYSTEM-WIDE EFFECTS

17. It is recommended that the *partners in the global health architecture together clarify, as a matter of urgency, an operational global division of labor regarding the financing of and technical support to health systems strengthening.*

- 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. Achieving clarity on the global division of labor 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 labor 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 modeled 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.

KEY FINDINGS: DETERMINANTS OF GRANT PERFORMANCE

One objective of SA2 was to analyze grant performance in relation to the partnership environment of the Global Fund and its model, identifying likely determinants of grant performance, including aspects of partnership. Two analytical approaches were used, based on the available data: a focused study of the 16 CPA countries, using primarily a case study approach using qualitative data, and statistical modeling using publicly available secondary data related to the entire Global Fund portfolio.

Despite a number of limitations to the analytical approach, the data did provide valuable insight into key grant implementation and management process factors that are likely to be associated with grant performance. Health systems capacity emerged as an important country-level statistical predictor of grant performance, as did high disease burden. At the grant level, the conditions precedent assigned during the grant negotiation process proved to important statistical predictors of performance, and lend themselves to use for risk proactive assessment and management. There are some indications of important linkages between variables in the partnership environment, such as CCM functionality and wider partnership; good grant oversight systems and better TA systems; and between good alignment, harmonization, and health systems strengthening. The findings from the focused analysis of the 16 CPA countries provide a map for data collection for future investigation of associations between partnership and grant performance.

A more robust performance monitoring system is essential to the longer term credibility and function of the Global Fund, as well as to the rapid financial expansion now envisaged for the

Global Fund. Many of the building blocks for this are already in place, but this evaluation found that the system as a whole does not sufficiently demonstrate linkages between measured grant performance and financing decisions. Until grant performance assessment practices are standardized and defined with greater precision to allow greater performance differentiation, the policy relevance of the types of findings presented above must be interpreted with great care.

RECOMMENDATIONS: INFLUENCING DETERMINANTS OF GRANT PERFORMANCE

- 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:
- 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.
 - 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.
 - 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.
 - 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.
- 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.

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:

- a. 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.
- b. For countries with fewer PRs, investing in their management capacity will likely improve grant oversight and in-country technical assistance systems
- c. 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.

CONCLUSIONS

The results of this evaluation show a new institutional experiment in international development that has made enormous strides and demonstrated impressive achievements during the first five years of its existence. The results also underscore the magnitude of the challenges yet to be tackled and the many gaps that need to be addressed. Many of the challenges and gaps find their roots in a continued commitment to the ideals of the Global Fund, which are expressed in the guiding principles, but also stem from rhetoric of “uniqueness” that does not accord – at least not fully -- with the realities of where the Global Fund is today. If the Global Fund is to succeed during its second half decade and to expand its activities as it is now challenged to do, the policymakers of the Global Fund will need to address this reality and to make adjustments accordingly. A prime example is the continued insistence upon branding the Global Fund as a “financing-only institution”, when the Secretariat has begun to take on, often as a result of Board decisions, more and more functions of grant management and technical support.

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A major unresolved question remains: if the Global Fund is not a financing-only institution, then what is its fit in the global development architecture? Its fit is most appropriately measured by its value added: mobilizing increased financing and putting it in the hands of countries to manage their own solutions to three pandemic diseases; shifting the paradigm of development assistance from one based on programs largely defined by donor requirements and priorities to one that is demand-driven and country-led, with the participation of sectors which had not traditionally been involved in disease control decision-making at national levels; and establishing new standards for accountability and transparency in its business model. To be true to its principles, the Global Fund will need to continue to rely primarily on the partnership model it has adopted, but much remains to be done for that model to function with full efficiency and effectiveness. The reality is also that there will be actions and interventions that the Global Fund will need to make itself in the interests of efficiency and effectiveness and in order to ensure due diligence and fiduciary care over the finances assigned to it in public trust.

This evaluation has sought to assess the partnership model as it presently operates, against the vision that was put forth by the founders of the Global Fund. The findings in this report are informed by quantitative and qualitative analyses, existing literature, and a diversity of viewpoints from grant implementers, country and global partners, and other stakeholders, and paint a picture of an organization that has accomplished a great deal while constantly changing and adapting in an effort to improve its processes.

The Recommendations offered in this report offer an opportunity for the Global Fund to pause and take stock after six years of operations. The Five-Year Evaluation believes that if the Global Fund were to undertake, collectively and cumulatively, all of the recommendations presented in this report, it will be able to overcome many of its current challenges and maximize its future contributions to the development community.

I. Introduction

The Global Fund to Fight AIDS, Tuberculosis and Malaria was born in response to a series of global realities that had coalesced by the end of the 20th century. New knowledge about the scale of epidemics—especially malaria and tuberculosis—and a deeper understanding of the complex causal links between poverty, development, and disease pushed international issues of public health to the center of the world’s development agenda. From the summit of the Group of Eight leading industrialized countries (G8) in 2000, to the first meeting of the Global Fund’s Board in January 2002, a rapid series of decisions and actions were taken by the global community to forge this new organization on the development landscape:

- At the 2000 G8 meeting in Okinawa, representatives agreed that although existing bi-lateral and multilateral development institutions play important roles, they alone cannot channel the large volume of resources necessary to combat the global health pandemics of HIV/AIDS, tuberculosis, and malaria.
- Later that year, the European Commission sustained the focus on the three diseases by holding a roundtable that extended the dialogue to other donors, nongovernmental organizations, and the private sector.
- In March 2000, the Ministerial Conference on Tuberculosis and Sustainable Development was attended by Ministers of Health and of Finance from 20 of the 22 high-burden countries, and ratified the Amsterdam Declaration on Tuberculosis and Sustainable Development, which greatly influenced the creation of both the Global Fund and the Stop TB Partnership.
- In December 2000, Japan hosted a meeting of health experts, who agreed that significant new action was required to address the three diseases and that the potential of a new funding mechanism should be explored.
- By April 2001, UN agencies and donor governments agreed to a single global fund to fight HIV/AIDS and other deadly diseases. In just a few short months after this meeting, African heads of state pledged to raise domestic health spending to 15% of national budgets, and other nations and institutions pledged over \$500 million to the fund that was to be created.
- Between September and December of 2001, interested parties participated in a number of consultations, including a discussion among academic institutions hosted by Johns Hopkins University; a meeting of nongovernmental organizations and civil society representatives; and a private sector consultation convened by the World Economic Forum. Together with four regional meetings held in Brazil, Malawi, Russia, and Thailand, they mobilized interest in the Global Fund and built consensus among stakeholders about how the organization should conduct its business.

At its first meeting, the Board adopted the framework document, which outlines the guiding principles for the organization and established its purpose “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.”¹

Clearly, therefore, the Global Fund was created as the result of collaborative effort from a diverse array of global stakeholders, and implicit in its vision is the idea that it functions as a financing only institution, working through a “partnership model” to accomplish its results. As a result, the characteristic that most accurately defines the Global Fund in comparison to other entities that work in the fight against the three diseases is the extent to which the successes and/or failures of its efforts depend on effective partnerships at all levels --global, regional, national and local. Other global institutions are important actors in raising and providing finance (e.g., World Bank, UNICEF). Other institutions also actively seek to influence the international supply chain for essential medicines and other goods such as bed nets (e.g., WHO, the Clinton Foundation, Stop TB). And there are literally countless institutions that act as financial catalysts that allow other organizations to provide particular goods and services at country level (e.g., NGOs and bilateral aid agencies). No other organization of truly global reach, however, is as dependent as the Global Fund on a chain of efficient and effective partnership arrangements at all levels.

Study Area 2 of the Five-Year Evaluation of the Global Fund examines the partner environment, at global and country levels, in relation to grant performance and health systems effects. It has found that in just six years, the Global Fund has made notable, and often significant, contributions towards its original aims. It has:

- Attracted nearly 18 billion USD from a variety of sources, both government and private. This achievement has been a major advancement of a partnership approach to development aid, and constitutes a new model for a global public-private partnership for health.
- Achieved an exceptionally rapid start-up, disbursing 10.7 billion USD committed to 136 countries by June 2008. This rapid roll-out utilizes a demand-driven funds release mechanism that nevertheless retains a rigorous technical focus, which has not before been used at such scale.
- In so doing, it has played a significant role in moving the world from a situation of severe resource scarcity in fighting the three diseases to one of much greater resource availability. Though the level of finances committed to the fight against the three diseases has not yet matched resource needs based on epidemiological estimates, the resources available and the future trajectory set for the size of the Global Fund at the 15th Board meeting have already considerably altered the context for recipient countries, program implementers, and the technical partners of the Global Fund.
- Established itself as a key component of an exceedingly and increasingly complex development architecture. Moreover, the Global Fund model is purposely and significantly changing the paradigm of how development assistance is delivered. The model of working through partnership arrangements that put very large amounts of funding into the hands of countries for managing their own solutions to combating the three diseases is changing the basic calculus of development cooperation in health. This model is shifting the paradigm of development assistance from one based on programs largely defined by donor requirements and priorities to

¹ The Global Fund Framework Document

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one that is demand-driven and country-led, with the participation of sectors that had not traditionally been involved in disease control decision-making at national levels, such as civil society, persons and communities affected by the diseases, and the private sector.

- Included new constituencies through an original governance structure that promotes transparency, diversity, and consensus-building. In some countries, this governance structure has provided the impetus for government and civil society dialogue which did not exist before, and has worked to diminish the stigma associated with HIV/AIDS and in some cases, tuberculosis, opening up avenues for potential further social change.
- Established exceptionally high standards for transparency in its operations. This has been achieved through the inclusion of more diverse constituencies in its governance structures at country and global levels; through the implementation of the performance-based funding model that emphasizes financial accountability as well as program performance; and, through the effective use of the internet for communications.
- Promoted an accountability ethic to its grantees through a performance-based funding model that is country-owned and led. While performance-based funding is not a new approach, the Global Fund has succeeded in applying it at a greater scale than had been done before.
- Implemented a performance based financing system that has created positive incentives for implementing partners to work quickly and efficiently, while increasing their accountability.
- Made important contributions to strengthening health systems by providing financing that was not previously available, and by insisting on a continued focus on health systems strengthening, even in disease-specific funding. In addition to the provision of financing, a significant contribution of the organization to health systems strengthening has been the performance-based funding model, in terms of strengthening monitoring and evaluation and financial management systems.
- Functioned entirely without a standalone field structure of its own, and with a lean headquarters structure, relative to other comparable development agencies of similar scale.

In summary, therefore, the Global Fund was created as a bold, new experiment in international cooperation and this Evaluation found that its first five years of operation validated the merits of the experiment and furnished solid grounds for its continuation and expansion. Study Area 2 also found evidence that the paradigm shift is still ongoing for many partners at all levels of the Global Fund model, and that the intent of and expectations from the Global Fund are often filtered through 60 years' experience of a different development assistance model.

This report also shows, however, that the model of the Global Fund is still very much a work in progress. The partnership environment presents a mixed picture, characterized by numerous strengths and undoubted successes, along with areas of often unanticipated difficulty and weakness. The Evaluation found there to be a number of areas within the partnership system that will require attention if the Global Fund is to maintain positive momentum and the initial results it has achieved, and position itself to significantly expand into the future. The experience to date with

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the paradigm transition has yielded many valuable lessons and has also highlighted obstacles that need to be addressed, including:

- At the global level, progress has been limited in defining the place of the Global Fund in the global architecture relative to other major actors, such as the World Bank, WHO, UNAIDS, and AfDB, particularly with regard to the financing and supply of technical support and health systems strengthening initiatives. Much more is required in the way of better delineations of an international division of labor. This cannot, however, be accomplished by the Global Fund alone. Progress here is impeded by institutional inertias in other organizations and an established propensity to express agreement at the high level of principles but not to translate these into operational parameters.
- At the country level, interactions with the Global Fund are very uneven and depend far too much on individual relations and the capabilities of individual GF portfolio managers. If the Global Fund is now to scale up its activities to the levels envisaged and required to achieve impact, it will be important to establish more integrated institutional approaches and more systematic institutional guidance across several key areas (e.g., technical assistance, health systems strengthening, performance-based funding, CCM requirements, and grant management and oversight responsibilities).
- Overall, the Global Fund is in urgent need of systemic and strategic arrangements to secure reliable, timely and high quality technical assistance. An effective and efficient system for technical support to Global Fund grants does not yet exist. This is largely an extension of the problem of confused international divisions of labor, but is also consequence of in-country confusion that is preventing the development of effective partnerships for technical support mobilization. Importantly, although in-country partners are well-positioned to identify TA needs and facilitate access to TA resources, in many cases they do not engage actively enough with grant implementation partners. Although the Global Fund can do much more to facilitate the engagement of development partners, many partners also need to clearly determine how they will support grant activities in support of achieving global public health goals.
- Also at country level, the locus of implementation of Global Fund-financed activities is now heavily weighted at the sub-recipient and even sub-sub-recipient levels, while the effective operating model of reporting, monitoring, measurement of outputs and outcomes and instruments for accountability, does not function systematically or even at all at this level. While the Secretariat has to date taken the approach that SR management is the responsibility of the PR, much more systematic performance monitoring and fiscal oversight requirements are urgently needed for the model of the Global Fund to minimize the potential for funds misuse and to maximize the potential for achieving strong grant performance.
- The Global Fund's main instrument for grant management and funds oversight is the PBF system. This evaluation found that in many respects the Global Fund's model of PBF is a work in progress. While most countries have had previous experience with some form of PBF, the comprehensiveness and stringency of the Global Fund's approach is still something the majority of implementers are becoming accustomed to. The Fund itself has learned much from the application of the model over the past five years, has made several important adjustments; others are envisaged. This continuous learning is noteworthy, given the inherent complexity of

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performance monitoring and assessments in complex environments. The findings of this evaluation reinforce the need for further changes and adjustments in policies and implementation of the PBF model, if it is to provide the Global Fund with the information it needs for effective oversight of grant funds.

- As a large scale experiment, the Global Fund's performance-based funding model is mostly a success; however, there exist threats to its credibility mainly due to data validity, appropriateness, and management. The current system does not promote or support the entirety of Global Fund principles and objectives in a comprehensive manner; there remains much work to be done to strengthen the design of the performance monitoring system and to institute data quality assurance systems. The Global Fund is aware of this, and is undertaking measures to improve the grant performance monitoring and rating systems. This evaluation identified additional areas for urgent focus, including better integration of service quality, gender, income equity and disease impact measures into the performance monitoring system and grant rating rubric.
- Evidence from this evaluation indicates positive linkages between health systems strengthening and the Global Fund framework of requiring and catalyzing a focus on health systems as a component of its financing on disease-specific interventions. The magnitude of Global Fund financing coupled with its partnership model indicate, however, the potential for an especially strong leadership role in promoting the development of a financing framework for global health systems strengthening activities. To the extent that the Global Fund decides to exercise this potential, it could contribute substantially to improving the overall architecture for international development by facilitating enhanced donor role and division of labor differentiation and improved coordination and harmonization of effort.
- Although the stated intent when the Global Fund was being designed was that it should function as a "financing only institution", it has, in fact, evolved into more than that. It does not provide direct technical assistance, but manages processes and acts as a broker for the provision of technical services, including pooled procurement. This entails accountabilities for full service delivery, not merely for financial probity. This evolution is logical and essential to meet the requirements of a public, international development organization for both effectiveness and due diligence. These and other functions of a prescriptive nature are not, however, those of a "financing only institution". They require supportive capacities in highly specialized areas and high level professional staff to fulfill these functions. Thus, while the Global Fund remains a "mainly financing" organization, there needs to be strategic clarification of how far the Global Fund will venture into more technical and program management areas, as the organization plans for the next 5 to 10 years of operations, following its impressive and rapid start-up.

To a differing degree, lessons and challenges discussed in this report are already well known to the Secretariat and, in some cases, measures are taking place or being designed to address them. The challenge for the Global Fund and its partners is to proactively manage the further evolution of the transition process, while assessing its own policies, systems, and implementation procedures and to remove any unintended barriers to successful transition that have emerged.

The recommendations offered in this report are intended to complement and reinforce those made in Study Area 1. The main focus and central intent of the recommendations is to help the Global

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Fund to address critical questions in the partnership model at both the global and country level, that will need to be resolved if the Global Fund is to achieve its very ambitious objectives.

Specific recommendations related to the focal area of each chapter are offered within each chapter. A number of important issues related to the partnership environment are discussed across multiple chapters, as they cut across the major organizing principles of this report.

II. Methodology

A. Overview of the Five-Year Evaluation of the Global Fund

At its November 2006 meeting, the Global Fund Board gave a final approval to the “first major evaluation of the Global Fund’s overall performance against its goals and principles after at least one full grant funding cycle has been completed (i.e., five years).” Through a scope developed more explicitly by the Technical Evaluation Reference Group (TERG), the Five-Year Evaluation focuses on three Study Areas (SAs) that are organized around the following overarching questions:

1. Study Area 1 (SA1): Organizational Efficiency and Effectiveness of the Global Fund

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

The Final Report from SA1 was completed in October 2007.

2. Study Area 2 (SA2): Effectiveness of the Global Fund Partnership Environment

How effective and efficient is the Global Fund’s partnership system in supporting HIV, TB, and Malaria programs at the country and global level? What are the wider effects of the Global Fund partnership on country systems?

Findings and recommendations from this Study Area are presented in this report.

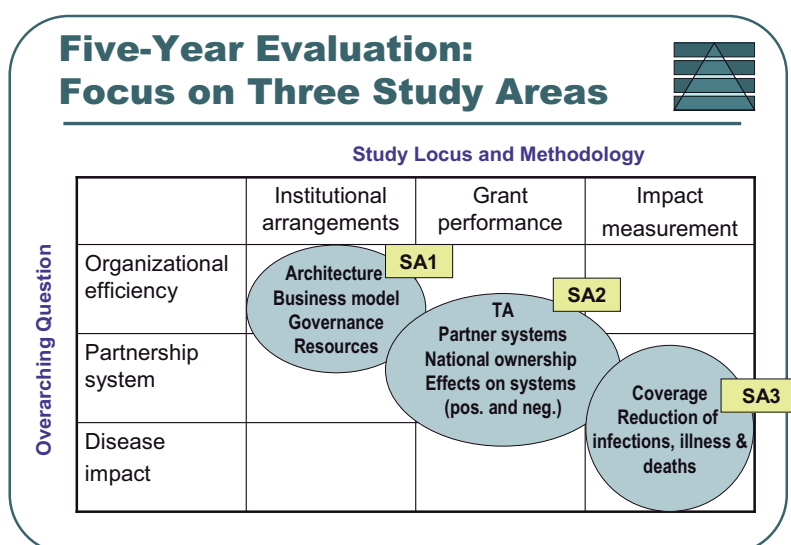
3. Study Area 3 (SA3): Impact of the Global Fund on the Three Diseases

What is the overall reduction on the burden of AIDS, TB, and Malaria, and what is the Global Fund’s contribution to that reduction?

The Final Report from SA3 will be complete in late Summer 2008.

Figure 1 illustrates how the three study areas overlap, inform, and complement each other, and it serves as the organizing framework for the approach to SA1 and SA2.

The overlap within and between the SAs is highlighted not only by the interrelationships between the elements covered within each area (e.g., Architecture, Partner Systems), but also by the fact that no SA alone will entirely address any of the overarching evaluation questions. There are connections between the impact achieved at the country level, the partnership system set up at the global and country level for the purpose of maximizing this impact, and the creation of the Global Fund’s own business model and organizational architecture for attracting and disbursing the funding.

Figure 1: Overview of Three Study Areas²

Study Area Two (SA2) of the Five-Year Evaluation of the Global Fund focuses on understanding the effectiveness of the Global Fund partner environment, in relation to grant performance and health systems effects. Annex 2 includes the scope of work and key evaluation questions that SA2 sought to address.

B. Study Area Two: Methodology

The work of SA2 involved primary and secondary data collection and analysis at the country and global levels. It is important to point out that a qualitative evaluation of this scale, focusing on issues of partnership and effects on program performance and health systems effects, had not been undertaken before. Methodologically, there is relatively little experience in assessing and comparing partnership efficiency and effectiveness, particularly in the context of disease control, with correspondingly few metrics or measurement approaches. While SA1 was able to draw on the body of organizational and management assessment methods and studies that has developed since the 1950s, and SA3 utilizes established epidemiological methods of evaluating public health impact, SA2 explored those aspects of the Global Fund that most define its uniqueness, with the result that new evaluation and measurement approaches had to be developed and implemented. Important lessons that should inform future partnership evaluations are discussed as Limitations and Challenges at the end of this section.

As such, Study Area 2 is best described as a contextualized, formative evaluation that was designed to provide information on how the broad principle of partnership, and the implied set of principles and mechanisms associated with partnership, is believed to influence the effectiveness and efficiency of how Global Fund grants function and exert influence on the wider health system. Study Area 2 is contextualized in the sense that it must be understood from the perspective of the Global

² Korte, R. and S. Bertozzi. 2006. TERG Update. Presentation made at the Fourteenth Board Meeting of the Global Fund, October 31 to November 3, Guatemala City, Guatemala.

Fund's guiding principles and business model; it is formative due to the novelty of the undertaking, in terms of scale, application of methods, and measurement of complex concepts, and in the sense that lessons learned from this evaluation will be relevant for the Global Fund and for other global health partnerships.

1. Data collection methods

The principal methods used were qualitative data collection techniques including structured, semi-structured and open-ended key informant interviews with partners and stakeholders at the country and global levels; grant recipients and implementing partners at the country level; fund portfolio managers at the Secretariat; and technical assistance partners at the country and global levels. In addition, focus group discussions were conducted with civil society representatives in 13 countries. In all, more than 900 individuals were interviewed for this evaluation, using one or more of the qualitative data collection methods described above.

In addition, multiple secondary data sources were extensively utilized, mostly in the form of published reports, articles, and studies, but also quantitative data on health systems and grant performance were accessed from multiple public data sources, especially the Global Fund's own performance-based funding database.

a. The CPA Model

The central data collection approach used by Study Area 2 was the Country Partnership Assessment (CPA), which was essentially an in-depth qualitative assessment carried out in 16 countries by a team of 4-6 researchers over the course of two to three weeks, utilizing a standard set of interview protocols, respondent selection criteria, and data analysis tools. CPA teams conducted interviews with more than 60 partners and stakeholders in each country and collected secondary data, including relevant country-specific reports, disease control strategies, and financial data regarding grant disbursements. CPA respondents were selected on the basis of their status as grant recipients, CCM members, civil society or health sector leaders; and donor or technical assistance partners; involvement in HIV/AIDS, TB or malaria planning or service provision;.

Partners and stakeholder interviews at the global level were both semi-structured, referring to an interview guide, and open-ended, but tailored to focus on the position and responsibilities of the interviewee. Global stakeholders were selected based on: their role in providing technical guidance, assistance, or services, either globally for HIV/AIDS, TB or malaria, or directly to Global Fund grants and grantees; Global Fund Board membership; and role as a major donor to the Global Fund. During the course of the evaluation, the selection criteria were expanded to include respondents who are stakeholders in the global development aid environment, though not necessarily of the Global Fund. These 50 interviews (Annex A) informed many sections of this report, but most importantly informed findings related to the role of the Global Fund in the Global Development Architecture. At this level, the focus was on key technical partnerships that support Global Fund grants in country; other technical partners that provide disease specific technical assistance; multi-lateral organizations and programs; and key bi-lateral agencies and programs

The focus on partnership effectiveness, efficiency, and effects on grant performance and systems necessitated a primarily qualitative evaluation approach. However, the evaluation team sought to triangulate quantitative and qualitative information from as many sources as possible; e.g.,

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interview data collected from country-level partners who participated in 16 Country Partnership Assessments were compared with key findings from previous studies; existing data from the Global Fund's information system were compared with interviews from key global stakeholders; conclusions and recommendations from each country study were shared with respondents and fund portfolio managers for discussion and consensus.

As the evaluation is based extensively on qualitative information, the findings naturally build on the subjective perceptions of the respondents, which is influenced by their actual experiences from engaging with the Global Fund in various modalities. The subjective element is countered by the evaluation team's use of systematic approaches to qualitative data collection, in terms of the selection of respondents ("sampling"), the standardization of the data collection tools, triangulation within and among data sources, and the use of coding for analysis of the interviews. Key study findings are therefore based on a multitude of data sources and systematic analysis of hundreds of responses. However, quotations from specific interviews are used to illustrate key study findings wherever relevant and useful.

The following sections describe in more detail: the CPA model; the country selection process for the CPAs; data analysis; quality assurance mechanisms; and limitations and challenges.

The approach to country partnership assessments was designed to encourage wide participation from all stakeholders, to capture the richness of experiences from those who have been implementers and participants in the Global Fund Model, provide useful information back to country stakeholders, while also generating information that can be generalized across countries, types of partners, etc. Given the nature of the evaluation questions of interest, SA2 determined that a qualitative approach to data collection would be the emphasis of the CPAs. To facilitate comparison across the 16 countries, a standard interview guide and data collection protocol was developed that included data that would allow some quantification of qualitative responses. The CPA tool was designed in a modular format, with separate modules dedicated to private sector resource mobilization; harmonization; in-country partnerships; technical assistance; country ownership and alignment; performance-based funding; procurement, and grant performance. This format allowed interviewers to focus their questions to particular respondents on only those modules which were relevant, as the pilot demonstrated that it was not feasible to ask every question in the tool to every interviewee. The set of tools (Annex 6) also provided instructions for analyzing the data, preparing "module" and country reports, and areas for probing in greater depth on specific issues.

Figure 2 outlines the timelines for in-country work (light green) and post-CPA analysis (dark green). One of the 16 countries, Burkina Faso, was designated as the pilot country, as no other piloting opportunity was available with the designated study design and timeframe. The tight timeframe for conducting the CPAs also limited the revisions that could be made to the guidelines after the pilot, as CPAs were starting while others were going on, and feedback was being collected and incorporated. From the period of June to October 2007, there was an average of 4 CPAs being conducted simultaneously.

Figure 2: CPA Deployment Schedule

CPA Country	June	July	August	September	October	November	December	January
Burkina Faso	13-29 June							
Tanzania		25 June-13 July						
Yemen		30 June – July 10						
Nigeria		2 - 20 July						
Peru		10 – 27 July						
Cambodia		20 July - 4 Aug						
Nepal		17- 27 July						
Malaw i			12 – 30 Aug					
Kenya			13 - 31 August					
Zambia				27 Aug – 15 Sept				
Honduras				11 – 28 Sept				
Uganda				5 - 23 September				
Kyrgyzstan				24 Sept - 1 Oct				
Ethiopia					8 - 28 October			
Haiti					22 Oct – 9 Nov			
Vietnam						26 Nov - 7 Dec		

The 16 CPAs were carried out by teams of 4-5 individuals who were selected to ensure that the teams reflected balanced experience across the three disease areas; understanding of CSO perspectives; procurement/finance expertise; and general understanding of the Global Fund Model. CPA team leaders attended one of two orientation and training sessions convened by SA2, one held in Burkina Faso (during the piloting of the data collection tool) and one in Atlanta, Georgia, USA (LAC-specific). Team leaders were assigned to multiple CPAs wherever possible, to ensure a degree of continuity and learning between CPA teams.

b. CPA Respondent selection

Interviews were conducted with the fund portfolio managers in the Global Fund Secretariat of each of the 16 CPA countries during April and May 2007 to inform the selection of CPA respondents. Additional interviews with representatives from OPS, PEP, Private Sector, and Procurement contributed to the development of protocols and question guides for the in-country interviews that would take place during the CPAs.

In-country, each CPA team conducted an average of 61 in-depth interviews with respondents representing CCMs, PRs, CSOs, and other development partners. Interviews were conducted using a standardized question guide that included separate modules dedicated to the major focal areas of the assessment of the partnership environment. Annex 5 includes an overview of the Country Partnership Assessment Modules (CPAs).

Annex 7 illustrates the types of individuals who participated in interviews or focus groups in each of the sixteen countries, illustrating the diversity inputs that informed the SA2 findings. The Evaluation teams sought to interview a wide array of individuals from as many sectors as possible, but availability of interviewees sometimes resulted in specific sectors not being able to participate in the interviews. Individuals who were classified in Annex 7 as “other GF-related entities” often represented institutions that were identified as Sub-recipients for the purposes of the interview.

Although these organizations often represented NGOs, FBOs, Academic Institutions, or other key in-country partners, they were not classified as such by the interviewers.

At least one LFA representative was interviewed in each country, with each interview focusing on procurement-related issues, but the local LFA representative did not respond to requests for interviews in Kenya. In this case, a representative from the LFA's HQ office was interviewed by telephone.

Facilitated focus group discussions with CSOs were conducted as part of most of the CPAs, depending on the country context, with 15-35 participants in each. The CPA teams sought to convene civil society focus groups wherever feasible to gain collective input on the Partnership Environment from the CSO perspective, whether or not the CSOs were receiving Global Fund grant funds or not. In some countries (e.g., Cambodia, Kyrgyzstan, Vietnam), focus groups were not culturally acceptable based on feedback from local partners, so individuals who would have otherwise participated in focus groups were interviewed.

c. Host organization role in the CPAs

Prior to the start of each CPA, locally based host civil society organizations identified key partners in country who either had a role in the Global Fund Model or a key role in health, development or finance. Host organizations sent out official letters, or contacted key partners using a method appropriate to the local context, requesting their participation in the CPA and drew up a schedule of interviews and meetings. Hosts identified these players by consulting The Global Fund country website, using their own in-country contacts and by word of mouth. Additionally, Team Leaders contacted the Fund Portfolio Manager prior to in-country work in order to share the schedule of interviews and get recommendations about who to contact in-country. Informants continued to be identified and interviews scheduled during the CPA. Each key informant was asked to identify any persons or organizations that the CPA team should contact for an interview in order to get a broad perspective of The Global Fund model in-country. CPA teams were provided guidance on the proposed number of representatives that should be interviewed in each country.

Within a country context, the CPA data collection tools used triangulation to identify salient characteristics and patterns from key informant interviews: a particular concept or process was explored with any one respondent in several different ways; and, a particular concept or process was explored with respondents involved in different stages of a process or dimensions of a concept. For example, with regard to CCM roles and responsibilities, any one respondent was asked to rate their own level of participation, then to describe the roles and responsibilities of CCM members in general, and finally to identify which partners were involved in 12 key CCM processes, and to describe how they were involved³. Across country contexts, salient characteristics and patterns were identified along 2 dimensions: across countries and grants, and within types of respondents.

Each CPA included an in-country de-brief with the CCMs (inviting other respondents and interested parties), and communication with the FPM for the country, including inviting the FPM to attend the in-country de-brief; sharing of de-brief materials; and follow-up discussions with the FPMs.

³ The Global Fund Five-year Evaluation, Study Area 2: Guidelines and Tools for Data Collection in Country Partnership Assessments, module 4.

Five sets of data were generated by each of the 16 CPAs: interview notes, summarized module reports, summarized quantitative data, country-specific literature, and CPA reports. Each CPA report was submitted to the SA2 Management Team 25 days after completion of the CPA, along with module reports and interview notes, as well as quantified scaled and ratings data in excel spreadsheets.

d. Country Selection

Countries were selected for SA2 to conduct Country Partnership Assessments (CPAs) by the TERG from the same family of 32 countries that were short-listed for consideration for the SA3 impact evaluation, based on criteria that included: availability of existing impact and baseline data; magnitude of Global Fund disbursement; duration of programming; and opportunities for partner harmonization. Table 1 shows the 16 CPA countries of SA2, with overlapping SA3 impact assessment countries.

Table 1: SA2 Focus Countries	
Burkina Faso*	Kyrgyzstan**
Cambodia*	Nepal**
Ethiopia*	Vietnam**
Haiti*	Honduras
Malawi*	Kenya
Peru*	Nigeria
Tanzania*	Uganda
Zambia*	Yemen
* SA3 Comprehensive Evaluation Countries **SA3 Secondary Analysis Countries	

SA2 countries were narrowed from the list of 32 with the original goal of representing the range of performance within the overall portfolio, according to a composite performance score calculated by the Secretariat that was based on a range of contextual and quantifiable variables, including an average of Phase 2 ratings across all grants in the country. Using the Secretariat's calculations as a guide, the TERG selected the final 16 SA2 countries, 10 of which

were also included in the Secretariat's proposed priority countries. The final countries were selected with the purpose of ensuring that the overall group of SA2 countries reflected the range of grant performance environments one would find in the overall portfolio. As reflected in Table 2 below, the final distribution of SA2 primary data collection countries is indeed concentrated on middle performers (half), as is the overall portfolio, with particularly few good performers (three).

Table 2: SA2 CPA Countries—Distribution by Phase II Score

Grant performance score rating only (phase 2)	Number of countries in final 16 (%)
Good	3 (19%)
Medium	8 (50%)
Poor	5 (31%)
Total	16

Source: Summary Report of the Technical Evaluation Reference Group (TERG) of the Global Fund: Sixth meeting, Geneva Switzerland, 15-16 March 2007

e. Data analysis

Iterative techniques were used to analyze primary data collected through the interviews. First level analyses focused on identifying key themes, issues, and challenges within and among countries. Analytical tools used were: ratings; summary matrices; text-searching; and consensus building through group discussion. These produced summarizations of key topics across respondents, countries, and organizations and summarizations of topics within an organization or country. These first-level analyses were used to develop topical codes which would then be applied to the textual data and used for analysis using the software program Atlas.ti.

Primary analysis was done using Atlas ti software to code the individual interviews. In total, 83 topical codes were developed and applied more than 34,000 times to 839 primary documents, including interview notes and summary module reports. In addition, 30 family assignments were used to categorize documents by country and respondent type (Annex 7). This process was done for all 16 CPA countries, and generated 13,676 quotations or individual pieces of textual data for further analysis and summarization. Findings from the coding analysis were compared against relevant secondary data - both quantitative findings and literature - to reinforce the information whenever possible.

For CPAs, first level country-specific analysis was done by the CPA teams to generate summary reports on each topical module, as well as the summary CPA report. The CPA teams used a combination of text-searching, summarization matrices and consensus building through group discussion while in the field. Each CPA generated 3 sets of data for coding: interview notes, summarized module reports, and CPA reports, which amounts to approximately 60 coded primary documents per CPA. In addition, the SA2 team conducted preliminary analysis of CPA data in 3 ways: review and summarization of a single module across countries; topical coding of key findings from each module for each country; and in-depth discussion with CPA team leaders. Interviews with global stakeholders were subject to the same codes as used for the CPAs. In addition, short questionnaires were administered to global stakeholders, and data were summarized and analyzed.

SA2 also reviewed the Global Fund website and its internal SharePoint database for grant performance-related and policy documents. These included: grant performance reports, grant scorecards, progress update/disbursement requests (PUDRs) for each grant, the grant agreements and M&E plans, as well as Board decisions, PSC documents, Operational Policy Notes (OPNs), and

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other numerous Secretariat policy documents. Recent relevant studies commissioned by the TERG (among others, the 360 Assessment, 2005 CCM Assessment, Assessment of the Proposal Development and Review Process, LFA Assessment, Partners in Impact 2006) were also reviewed to inform SA2 findings. A complete list of documents reviewed is provided in the reference list for this report.

In-country, the CPA team reviewed existing documentation as available to support the findings that emerged from interviews and focus groups. At minimum, national strategic plans for the three diseases, routine PR reports, budgets, CCM minutes, and relevant and recent special studies and evaluations for HIV/AIDS, TB, and malaria, were among the key documents. CPA teams reported reviewing an average of 35 documents per country to inform the country-level assessments. SA2 provided a list of recommended documents for CPA teams to review.

The findings on determinants of grant performance presented in this report draw from an analysis of the country-level interviews, quantitative data related to grant performance available through the Secretariat and the Aidspace site, and other internationally accepted standard data on issues such as health systems capacity and disease burden. The details of the methodological approach to this analysis are presented in the relevant chapter.

2. Quality Assurance

The following mechanisms were established to ensure opportunities for ongoing quality control during the data collection and analysis phases of Study Area 2.

A startup meeting was held for all partners in the SA1/2 consortium to provide an overview of the Five-Year Evaluation, outline roles and responsibilities of each partner, identify specific approaches to addressing the scope of work for each Study Area.

Team leader trainings were held in Burkina Faso and Atlanta, GA (for the three LAC region CPAs) to orient team leaders to the draft CPA tools and protocols, and discuss strategies for team management and the rapid implementation schedule.

A Senior Management Team was established with representation from both Study Areas 1 and 2, as well as representatives from each of the key organizational partners in the SA1/2 consortium. This team met weekly to discuss progress, identify gaps, and determine additional support needs as specific tasks and analyses evolved. As SA1 drew to a close, these meetings focused more on country-level issues for SA2, and provided a forum to communication across teams who were carrying out CPAs in a rapid fashion, which allowed a forum for SA2 and 5 Year Evaluation Leadership to be informed rapidly of emerging issues across countries or within a specific country.

During the preparation phase for the country-work, the SA2 team sought to coordinate with representatives from the Study Area 3 team who were making initial visits to countries to lay the groundwork for the SA3 impact evaluation. The SA2 team provided SA3 representatives with a summary document on the SA2 objectives, so that SA3 representatives who visited a country around the same time as initial SA2 communication with countries could clarify the differences between these two study areas among in-country partners.

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Key representatives from SA1 and SA2, with input from the Evaluation's Senior Advisors, met in Paris from August 6–10 to share findings from across different areas of SA1, and to gain insights from preliminary findings from Study Area 2. This meeting served as an important check-in between all team leaders for SA2, and afforded them the opportunity to share lessons learned from the first 9 CPAs that had been completed in order to improve the processes for the final seven. Two representatives from the TERG participated as observers for the final 1.5 days of this meeting.

A recommendations development retreat was held in Calverton, MD in January 2007, shortly after data from all 16 CPAs was available, to discuss with key project team members and the project's Senior Advisors the potential directions and prioritization of recommendations for this report. This meeting also served as an internal review of the key evidence available to support the recommendations that had emerged at that time.

3. Limitations and Challenges

The evaluation team faced several considerable difficulties while undertaking this evaluation.

- Limited time
 - Lack of established methodologies and data collection tools
 - Availability and quality of existing data on grant performance
 - Distribution of SA2 Focus Countries
 - Concurrent studies and evaluation fatigue in country
1. The key methodological challenge for SA2 was the extremely **limited timeframe** for collecting and analyzing the data. Specific limitations that arose from these timelines are listed below:
- The CPA teams consistently, in every country, stated that the range of issues to be explored was too extensive, and too complex, for the amount of time available. The feedback from every team leader and every team member was that the scope of work was unreasonable, and unsuited for 2-3 weeks of in-country work.
 - Originally, the SA2 team had hoped to carry out all CPAs with a core set of 3-4 team leaders, to maximize cross learning and consistency of approach across countries. This was not possible due to the challenges of matching country schedules with team leader schedules, and seeking to complete all the assessments within the overall timeframes for SA2. In the end, a total of 11 separate team leaders had to be deployed, which provided challenges to ensuring consistency in reporting and analysis at the country level.
 - The tight timeframe also limited the ability of the SA2 team to interact with the Secretariat and the TERG to resolve methodological issues that seemed to be in conflict. For example, there seemed to be a real desire for SA2 to conduct statistical analysis of determinants of grant performance based on the CPAs, while also addressing a range of questions such as, "What has been the role, both positive and negative, of the Global Fund as a new actor in the donor landscape for the three diseases?", which required a qualitative approach. While the overarching question about the effects of the partnership environment that is the focus of SA2 pointed to the appropriateness of an iterative, in-depth probing approach using

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qualitative methods, there was also an expressed desire for cross-country comparisons and categorizations that pointed to a more standardized data collection approach.

2. **Lack of established methodologies and metrics:** SA2 endeavours to answer questions about how the partnership environment, and various manifestations of partnership that have been brought about by the Global Fund's business model, affect grant performance. To do this, SA2 first had to explore frameworks for complex concepts such as partnership and country ownership. This required an intensive qualitative research approach—informed largely through the CPA findings—to explore these concepts and develop valid measurement frameworks. In the absence of internationally accepted approaches to measuring these concepts, SA2 faced challenges in constructing measurable, valid instruments to use.
 - The time frame limited the opportunity for any formative research that could have made data collection more accurate and efficient. Out of necessity, the approach to measuring ownership and partnership was to explore what these concepts mean, how they are understood and operationalized at the country and global levels, and use this exploration to identify the salient characteristics that define these concepts in a reliable way. Measurement was therefore done indirectly.
 - Only four weeks were available for development of a comprehensive data collection approach that would address the 43 evaluation questions included in the terms of reference for Study Area 2.
 - Proper piloting of the complex set of tools was not possible, as the timeframe required that additional CPAs begin before the pilot was completed. This made it difficult to incorporate lessons learned into the data collection and analysis guidelines. Only one major change was made after 3 CPAs were already completed, for SR mapping, as it was found to be critical. Minimal changes were passed on to team leaders after the first 9 CPAs were complete, primarily in terms of suggested areas of focus within the existing CPA tools, as there was no time to revise the tools and orient team leaders before they were scheduled to go to the field.
3. **Timing and Deadline Constraints:** Given the magnitude of the tasks required for 16 country program assessments, the original deadlines established for the SA2 Final Report proved unrealistic. For example, they created a requirement for the review of results retreat referred to above only three days after data coding had been completed and before robust analyses could be undertaken. In the end, the deadlines were accepted as unrealistic and adjusted accordingly, but not before they had generated high transaction costs and considerable additional efforts that proved less than fully productive.
4. **Availability and quality of data** presented another challenge to the Evaluation team and resulted in limitations regarding the depth of the analysis.

Existing data, in particular that related to grant performance, was typically not available in a format that could be used for analytical purposes, which prevented several proposed analyses from being conducted or completed. The majority of the data included in the grant performance reports, the grant scorecards, the PUDRs for each report, the grant agreements and M&E plans

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have all needed significant re-working to allow for even simple analyses to be conducted. In many cases, only the most updated grant performance documents are available, or the documents do not have clearly indicated dates, which has further prevented their usefulness for time-trend analysis purposes. SA2 experienced many challenges to accessing data, including inconsistencies and difficulties in gaining access to the Global Fund's SharePoint site, particularly during the preparation of the December and February draft reports. The Secretariat was very facilitative and open with sharing draft documents, but access to primary, grant-related performance data was a challenge.

5. **Country selection:** The sample of 16 countries selected for SA2 limited the degree to which SA2 can generalize its findings to the wider portfolio of Global Fund grants. However, the findings provide robust contextualized findings that can inform future approaches and directions.

The sampling was done by the TERG on a purposive basis, but most countries were in the middle in terms of grant scores and 13 of 16 were in less developed countries (LDCs). The SA2 team found that there were not enough "extremes" (e.g., very good and very bad performers; very weak and very strong CCMs) to provide an opportunity to more robustly define a "partnership success" framework that could be tested in lower-middle, middle, and upper-middle income countries.

If the country selection were done with the purpose of generating a representative sample that could be used for statistical analysis, this concentration on middle performers, which also reflects the performance distribution across the whole portfolio, would have been useful. However, for SA2, the focus has been on assessing the partnership environment, which has required a methodological emphasis on qualitative data collection. For qualitative data analysis purposes, the limited availability of poor and good performers in the final distribution of CPA countries created limitations in conclusions that could be drawn regarding what contributions to grant performance other key aspects of the Global Fund's partnership model could have made, or what aspects of partnership non-functionality are associated with poor grant performance.

Regardless of this limitation stemming from the data collection sample structure, robust findings on barriers, challenges, and best practices that are largely context-specific were identified through this evaluation. Extrapolating from these context-specific findings to generate generic country profiles, determinants of grant performance, or risk assessment factors, will require different study designs.

6. **Concurrent studies and evaluation fatigue:** During the course of conducting the CPAs, the evaluation teams encountered significant evaluation fatigue among respondents. This limited the teams' ability to engage more deeply with respondents, and to conduct follow-up interviews. In addition, in 4 countries, the CPA teams overlapped with Secretariat-sponsored case studies of CCMs, creating confusion among respondents about who they were speaking to, and for what purpose.

The Five-Year Evaluation team sees these limitations as important lessons learned for future evaluations, particularly of global health initiatives and partnerships. The data collection tools developed for use in the CPAs can serve as a point of departure for other development actors who are interested in collecting data on complex constructs such as such as partnership, country ownership, performance-based models, and health systems strengthening.

III. The Global Fund's Fit in the Development Architecture

A. Introduction

When discussions were being held on whether the Global Fund should be created, a central question was where it would or might fit within the overall architecture for international development. Serious doubts were expressed from many quarters as to the need for another organization and some governments expressed formal opposition to its creation on those grounds. This opposition strongly influenced the initial structure of the Fund as “a different type of organization”. Yet questions have persisted and still persist as to the credibility to its claim of being different and to where exactly the Fund sits within the overall architecture of international development.

The Five Year Evaluation began its examination of the role of the Global Fund in the Development Landscape in Study Area 1, which included an annex presenting the Global Fund in the historical context of international development. Study Area 2 further examined the issue through interviews with Global Stakeholders—some of whom had been involved in the initial discussions that formed the Fund; review of relevant literature, and interviews with in-country stakeholders to assess the Fund's position in today's development landscape, and the challenges it faces in the future.

In light of the significant changes that have occurred in the international context since its inception, the evaluation poses a set of inter-related recommendations regarding the Fund's more strategic placement and function within the international development architecture. Those recommendations are reinforced by other recommendations in this report, and address the general areas of:

- the Partnership Framework and Strategy of the Global Fund
- the role, function and positioning of the Global Fund
- further development of the Global Fund Portfolio
- further development of the Global Fund Architecture
- the Disease Focus Areas of the Global Fund

B. Summary of Findings: The Global Fund's Fit in the Development Architecture

The question of the Fund's location, niche or comparative advantage in the global system for international development is not easily answered. Fifty years ago, a handful of institutions comprised the international development architecture; the situation is vastly different today, with more than 20 regional and sub-regional banks, more than 60 bilateral development agencies, over 100 UN agencies and institutes, thousands of large and small NGOs, and a wide array of private foundations joining the IMF and World Bank in financing development activities. An examination of a random number of the 53,750 international development organizations listed in the Directory of International Organizations, shows that the mission statements and program emphasis of most claim to be active in international health delivery, especially in AIDS-related work. The result is a bewildering array of bilateral, multilateral, non-governmental, private, and hybrid organizations such as the Global Fund, who are active in health, and characterized by overlapping functions resulting from a confused or non-existent division of labor.

By far the most significant attempt to address the systemic structural deficiencies of development aid has been the Paris Declaration of March 2005. This evaluation found that the core architectural principles and the business model of the Global Fund show the organization is solidly committed to

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components of the Paris Declaration, especially country ownership, management for results, and mutual accountability. However, the model, as applied over the last five years, has not impacted in any significant way on either international or country-level harmonization of collective efforts or, in many instances, alignment with national plans and strategies. In fact, the Global Fund model has functioned largely in isolation and has linked at best in only minor ways to the health strategies of country partners or to mechanisms established at country level to bring about greater coherence in the international development architecture (e.g., the Poverty Reduction Strategies [PRSp] and the United Nations Development Assistance Framework [UNDAF]).

This evaluation found some examples of specific international partnership arrangements that outline clear divisions of labor between the Global Fund and other organizations. These were most notable in initiatives within Roll Back Malaria and Stop TB. In the case of the partnership with RBM, for example:

- RBM provided support to 25 countries in proposal preparation for Rounds 7 and 8;
- RBM allocated over \$5 million in direct support to and collaboration with Global Fund projects.

With regard to Stop TB, there is a signed Memorandum of Understanding between Stop TB and the Global Fund that specifies the mutual roles of the two organizations, including the responsibilities of Stop TB for the provision of services and technical assistance to Global Fund programs and the financing responsibilities of the Fund⁴.

The evaluation also found, however, that these tend to be the exceptions and not the rule. On the issues of the larger international architecture for health delivery, the evidence points to little concrete progress on commitments made with other partners regarding divisions of labor at the country or global levels. There is scant evidence of progress on recommendations from reports from four and five years ago; commitment at the highest levels of leadership has not been forthcoming, and operationalization of recommendations to facilitate a clear division of labor has not occurred.

SA2 found that there is a fundamental and unresolved tension between, on the one hand, the goal of country ownership gained via country-designed and country-managed programs and, on the other, the institutional imperatives for financial due diligence and the exercise of fiduciary responsibility. This fundamental tension in the architecture of the Global Fund model has the consequence of wide variability in the application of the model at the country level. This is not a country presence problem. The issue is less a matter of consistent application of rules and procedures than of very fundamental questions regarding how much political space the Global Fund will allow for risk taking in the name and in the interest of capacity building and country ownership. Finally, as already noted, the evidence of the Five-Year Evaluation indicates that the Global Fund operates as more than a financing-only institution. The requirements of due diligence with demonstrable results and impacts have moved it over time into management areas that depend on structures and capabilities not of a financing nature and which require substantial increases in human resources. The issues that this situation raises underscore some of the inherent tensions between trying to achieve simultaneously a financing only plus a performance based character. The

⁴ Memorandum of Understanding regarding cooperation between the Global Partnership to Stop TB and the Global Fund to Fight AIDS, Tuberculosis, and Malaria, 2005; GF/B1/07

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Global Fund is a “mainly financing” entity. Overly rigid attempts to apply a “financing only” framework will deny opportunities to strengthen the Global Fund’s ability to fulfill the demanding roles that it must play, in order to maintain fiduciary responsibility, due diligence and good global governance; this will ultimately limit the potential for the significant effects the Global Fund could have, not only on the three diseases, but on reforming the international development architecture.

C. Recommendations: The Global Fund’s Fit in the Development Architecture

1. To better situate and differentiate the Global Fund in the global development architecture, it is recommended that ***the Board of the Global Fund provide clear guidance to the Global Fund Secretariat with respect to strengthening or limiting its roles and accountabilities*** as a:
 - a. *financing entity*, with the capacity required to rapidly disburse and monitor international funds;
 - b. *policy entity*, with capacity to convene interested parties and advance normative standards; and
 - c. *development entity*, with capacity to provide technical and programmatic guidance and support.

Clearer definition of these roles will best be achieved through dialogue and agreements with partners, but the Global Fund must also give internal strategic thought to these issues.

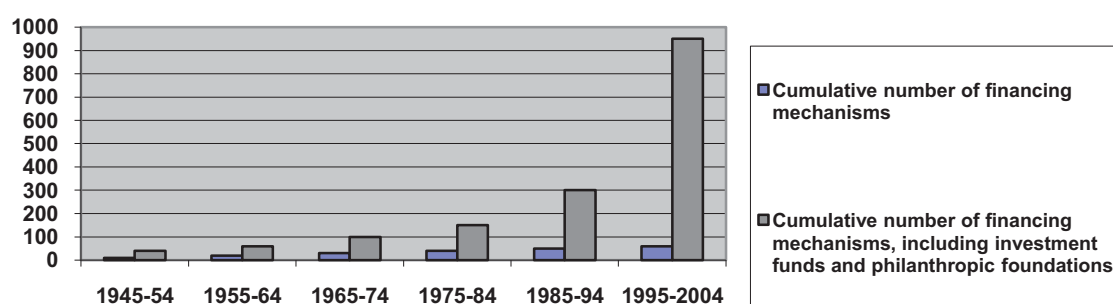
D. Summary of Evidence: The Global Fund’s Fit in the Development Architecture

1. *Situating International Development Architecture and Reform Efforts*

Following almost two decades of stagnation and decline in real terms, development assistance is now experiencing major change. Two factors define this change. First, the volume of financing is growing rapidly – from around \$US60 billion a year throughout the 1990s to \$US100bn in 2005 and a projected \$US130bn by 2010 (Figure 3). Second, the architecture of international development is becoming increasingly complex, with the addition of a vast number of new players, a proliferation of agencies and the growth of new, epical purpose funds such as the Global Fund. The United Nations Development Programme (UNDP) calculates that at global level there are now more than 1,000 financing mechanisms (Figure 4).

Figure 3: DAC Members' net ODA 1990–2004 and DAC Secretariat simulations of net ODA to 2006 and 2010

Source: OECD/ DAC 2006

Figure 4: Multiplication and diversification of international financing mechanisms⁵

Source: Kaul and Conceição, 2006

The resulting bewildering array of bilateral, multilateral, non-governmental, private and hybrid institutions is characterized by overlapping functions, duplication and a confused or non-existent division of labor. The Human Development Report of 2005, titled “International Aid at a Crossroads”, presented a history of broken promises and missed targets and concluded that this history would continue unless there were major structural changes in the architecture of aid. It stated that: “too often, severely constrained government departments in aid recipient countries have to deal with large numbers of weakly coordinated donors, many of them operating overlapping programmes and unwilling to work through government structures. The high transaction costs that result diminish the effectiveness of aid and erode capacity⁶.”

There is virtually universal agreement that the architecture has become entirely unmanageable⁷. It has been described as: “...riddled with imperfections, inertia and bureaucratic ‘entrepreneurship’

⁵ Kaul, I. and Conceição, P. (2006) *The New Public Finance: Responding to Global Challenges*. New York: Oxford University Press.

⁶ WDR, 2005, page 100

⁷ See for example, Easterly, W. (2002) ‘The Cartel of Good Intentions: The Problem of Bureaucracy in Foreign Aid’, *The Journal of Policy Reform*, Volume 5 (4): 223-50. Oxford: Routledge.

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(with) a distinct, sheltered bureaucratic culture, outside the mainstream of donor (and sometimes recipient) government administrations. These factors also tend to neutralize sporadic top-down reform initiatives, which have mostly been limited in scope and time.”⁸

By far the most significant attempt to address the systemic structural deficiencies and to transform development architecture has been the Paris Declaration of March 2005, which has been signed by 35 donor countries, 26 multilateral donors, 56 recipients and 14 civil society organizations. The Declaration is based on five principles: country ownership, alignment, harmonization, managing for results and mutual accountability. With a view to reducing the high levels of overlap and duplication in the many agencies that make up the United Nations architecture for international development, the UN High-Level Panel on System-Wide Coherence built on the Paris Declaration by proposing that all UN operations at country level should be placed under a single coordinating agency and united within a single strategic framework.

The complexities of and problems with the architecture are indeed serious. The extensive analytical literature on the subject may be summarized as assigning to the architecture the following characteristics:

- **Lack of global governance of the system.** The present international institutional structure is composed of a plethora of organizations and none of them plays the pivotal and coordination role needed to address global economic and social issues. The consequences of this lacuna are that some issues are left without any form of international governance and others are solved only on an ad hoc basis. The United Nations was originally intended to ensure coherence, consistency and the design of overall policy over the international development system, but this has never been possible because the governance structures of other institutions, notably the World Bank and IMF, accord them virtually full autonomy from the UN. The nuanced and pragmatic recommendations in the December 2004 Report of the High-level Panel⁹ have not resulted in the break-through that had been hoped for by the previous Secretary-General, Kofi Annan.
- **Lack of overall coherence and delineation of mandates and roles.** The institutions that make up the international development system is less a system than a plethora of different organizations and agencies with confusion and conflict over mandates, roles and comparative advantage. There have been numerous attempts and major initiatives over the past forty years to bring about greater coherence and harmonization, beginning notably with “The Jackson Report” of 1969 and including the multi-nation “Nordic UN Initiative” of 2001. Most independent reviews of such attempts assess them as having failed for multiple reasons, including the sheer inertia of the system, a failure to acknowledge asymmetries and the vast differences that exist between different actors in power, influence, capabilities and experience and the use of aid as an instrument of political leverage¹⁰. A 2005 assessment concluded that: “The dominant discourse

⁸ Rogerson, Andrew, 2004, *The international aid system 2005-2010: Forces for and against change*, Overseas Development Institute. Working Paper.

⁹ In Larger Freedom, report of the High Level Panel on Threats, Challenges and Change, United Nations, December, 2004.

¹⁰ See, for example, Schlesinger, Stephen. ‘Can the United Nations Reform?’ *World Policy Journal*, Fall 1997; Childers, E. and Brian Urquhart, 1994. *Renewing the United Nations System*. (Stockholm, Dag Hammarskjöld Foundation); and Barnett, Michael. ‘UN Vanquished’, *In Global Governance* 5 (1999), Review Essay.

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of 'partnerships, inclusion and equality' reinforces the rhetoric of cooperation and collaboration but, until now it has failed to introduce greater overall coherence to the system."¹¹

- **Inappropriate governance structures:** inadequate representation, lack of accountability and transparency. Governing structures of the institutions within the international development system are asymmetrical and unequal. A very large proportion of the voting rights in some of them, mainly the Bretton Woods Institutions, are vested in a very small number of industrialized countries, as they are the principal shareholders in terms of paid-in capital. Such imbalances are perceived increasingly by developing and some developed countries, by advocacy organizations and by political analysts, as a major defect that produces decisions that do not adequately take account of the interests of the developing countries they are intended to serve, and do not reflect the real nature of burden sharing in the international financial institutions. It is further noted by many observers that the balance of power in decision-making has not evolved to match the growing economic importance of countries such as China, India and Brazil, thus perpetuating outdated patterns of representation, weak accountability and interests that do not focus sufficiently on the real needs of a very large number of countries or even on collective good issues in the world economy¹². Finally, the growth in the number, size and influence of the international NGO sector over the past two decades comprises a geopolitical revolution¹³. In terms of its governance, however, it has also been found that much of it is under-governed, badly governed and with little or no accountability¹⁴.
- **Lack of predictable and stable funding.** The Report of the High-Level Panel on Financing for Development (the Zedillo Report) of 2001 estimated that an additional US\$50 million annually would be required if the Millennium Development Goals were to be achieved by 2015 and that this would also require that developing financing be made available on a predictable and stable basis. Problems of unpredictability and instability in development financing have been particularly acute for the development institutions of the UN. Moreover, over the past two decades, the financing of UN Institutions of development has become increasingly tied or restricted, with the result that strategic decisions have been shifting away from the multilateral boards and governing bodies of these institutions to exclusively bilateral organizations. This has undermined the institutional foundations of multilateralism.¹⁵

Yet, in spite of these deficiencies, and history of unsuccessful prior efforts, the early years of the 21st century seem to have brought about a major 'window of opportunity' for a conscientious re-examination and re-alignment of the institutions and organizations that configure the international development architecture. The systemic weaknesses and problems with development architecture have recently been accorded growing attention by world leaders, including perhaps most notably the 2005 G8 Summit held in Gleneagles which dealt not only with development financing but also with a new framework for debt, aid, trade, security, climate change and the architectural structures for international development.

¹¹ Sagasti, Francisco, Keith Bezanson and Fernando Prada, *The Future of Development Financing: Challenges and Strategic Choices*, Pelgrave-Macmillan, London, 2005, page 12.

¹² See Nayyar, Deepak and Julius Court, "Governing Globalization: Issues and Institutions", Manuscript prepared by the UNU World Institute for Development Economics Research (UNU/WIDER), 2002.

¹³ The international non-profit sector is now estimated as a \$1.1 billion industry, delivering more official development assistance than the entire United Nations system. (See *The Nonprofit Sector: For What and for Whom?* The Johns Hopkins Comparative Nonprofit Sector Project, LM Salamon, LC Hems, K Chinnock, Baltimore, MD: Johns Hopkins University, 2000)

¹⁴ See *The Third Force: The Rise of Transnational Civil Society*, Ann Florini (ed.), Carnegie Endowment, Washington, 2000.

¹⁵ On these issues see Sagasti, Bezanson and Prada. Op.cit

The Paris Declaration, endorsed in 2005 by over one hundred ministers and praised by leading international civil society organizations, rests on five basic “commitments”:

- Developing countries will exercise effective leadership over their development policies, strategies, and will assume responsibility for the coordination of development actions;
- Donor countries will base their overall support on receiving countries' national development strategies, institutions, and procedures;
- Donor countries will work so that their actions are more harmonized, transparent, and collectively effective;
- All countries will manage resources and improve decision-making for results;
- Donor and developing countries pledge that they will be mutually accountable for development results.

The Paris Declaration is only three years old, which would indicate that it may be difficult to measure progress towards its implementation. Nevertheless, the OECD's 2006 Survey on Monitoring the Paris Declaration furnished a baseline which underscores the magnitude of what is required and the extent to which major changes on the part of both donors and recipients will be necessary if the declaration is to result in genuine and sustained progress and if it is not to end up as yet another failure in efforts for major reforms. The OECD survey analyzed data from 34 countries against the factors of country ownership, alignments, harmonization, managing for results and mutual accountability. Classifications of “strong”, “moderate” and “low” were assigned for all countries across all factors, resulting in 170 classifications. Of the 170, there were only 11 (slightly over 6 percent) “strong” ratings compared to 63 (37 percent) “low” ratings. Almost all of the remaining classifications were “moderate”, with a few “moderate-lows”. The OECD's 2008 survey, which will be presented in September at the OECD-DAC High Level Forum in Accra, Ghana, will comprise a major milestone by which to assess the concrete value of the Paris Declaration.

A similar picture of slow progress on the architectural reform commitments of Gleneagles was provided by the Oxfam review of performance one year after the summit. It concluded that: “Debt cancellation has resulted in extra spending on health and education in poor countries, but is not reaching enough of the world's poor. Aid figures show huge increases but include large debt write-offs for Iraq and Nigeria...the growth in aid in key G8 nations is not enough to meet the promises made at Gleneagles. G8 nations have so far failed to overcome trade deadlocks that would allow poor nations to benefit from a globalised economy. The pace of climate change talks has increased, but not the action. And one year on there is still no international agreement on standards for arms transfers.”¹⁶ As with the OECD, Oxfam will present later this year its updated assessment of progress against the commitments made at Gleneagles and this also will comprise an important milestone to measure progress on architectural reform.

2. Global Fund Efforts to Fit into the Architecture

Despite clear commitment to the Paris Declaration, country ownership, and harmonization, this evaluation found that the Global Fund model often contributes directly to the problems of overlap and duplication at the country level. This has been the case from its start; one of the earliest

¹⁶ Oxfam, The View From the Summit – Gleneagles G8 One Year On, Oxfam Briefing note, June 9, 2006

independent reviews, conducted in 2003, of the Fund's operations at country level reported as follows:

"Two major observations, both related to the disparities between the Global Fund's discourse at international level and the reality on the ground, emerge from our findings. The first is related to the intention of the Global Fund to build on existing country structures rather than to create new and additional ones. Our findings show that the Global Fund in its initial phase in Cambodia is perceived as an initiative that requires the creation of entirely new institutions and the adaptation of old ones. Both are very human resource intensive and time-consuming processes. The second observation concerns the Global Fund's principle that its programmes strengthen existing health systems and take into account local priorities. In Cambodia the Global Fund is perceived more as a new vertical programme whose focus on the three diseases excludes proposals that cannot be earmarked under AIDS, TB or malaria, even when they are based on nationally defined and widely agreed priorities for the health system"¹⁷

A second early independent review which examined the experience in four countries came to a similar conclusion that the evidence from those countries indicated: "A burden for governments having to engage in parallel negotiations with different global health initiatives"¹⁸

Study Area 2 of the Five-Year Evaluation found that while there are clearly some examples of Global Fund activities aligning with country programs and systems, the overall picture presented by the 16 CPAs is one of the GF channeling through stand-alone systems, often duplicating in-country efforts and existing structures, and not adequately embracing national alignment and global harmonization agendas. The following are but three of many examples of duplicative, non-organic, and non-aligned country structures found in the CPAs:

- In Yemen, the CPA found that the disease control programs operate to a large extent as project managers of GF grants, rather than as oversight structures for all disease control program activities. A high-level MOH official voiced that there is now a need for an entirely new Ministry unit to learn to manage the AIDS, TB, and malaria grants of GF specifically. Given the demanding reporting system, it was seen that the program managers spend a considerable amount of their time and effort in ensuring that the reports are submitted in time and are correct. Given that the other programs are not as demanding and detailed in their reporting, this has led to a creation of a parallel reporting system.
- In Cambodia, it was reported that GF had its own requirements, timeframes and formats for proposal development, reporting, and procurement, and alignment was perceived as quite ineffective. In fact, the Global Fund grants are administered and managed by a parallel project implementation unit. Overall, it was felt that the Global Fund has created a parallel system for the three diseases, separate from the health partners working group, the joint technical working group, and the country development coordination forum, which contributed to an undesired vertical program approach.

¹⁷ Katharina Kober & Wim Van Damme, *The Early Steps of The Global Fund in Cambodia*. January 2002 - October 2003, Department of Public Health, Institute of Tropical Medicine, Antwerp, Belgium Page 3.

¹⁸ *Tracking the Global Fund in Four Countries: an interim report - Mozambique, Tanzania, Uganda, Zambia*, London School of Tropical Medicine, October, 2003.

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- In Kenya, the Global Fund grant administered and implemented separately from the sector-wide approach (SWAp)—in which the Global Fund does not participate-- creating parallel systems for financial management. This is also the case Kenya, where Global Fund does not participate in the SWAp. However, in Malawi, it was reported that the Global Fund's joining the SWAp has facilitated coordination with other donors.

Contrary to the majority of country experiences, in Tanzania, several measures have been taken to improve alignment between GF grant and country systems. For example, the Tanzania Commission for AIDS (TACAIDS) has been working on establishment of a common National M&E system for all the stakeholders to follow. There has also been considerable effort to align GF activities with the national procurement system, the government fiscal year and national financial reporting requirements, as well as to clarify and formalize the roles, responsibilities, and accountability of all key partners.

As discussed in previous sections, in most CPA countries respondents noted that CCMs were created exclusively to meet GF requirements and, however useful, would cease to operate if the GF funding stopped. This was especially true because many had failed to integrate pre-existing mechanisms. In Honduras, the CCM overlapped greatly in function and membership with the National AIDS Commission (Comisión Nacional de SIDA [CONASIDA]). While this could be perceived to indicate a smooth path to institutionalization, CCM members explicitly stated to evaluators that they had simply not considered the possibility. An initiative to convert an NGO forum known as ForoSIDA into the CCM was terminated early on, and is no longer being considered. Other CCMs have tried to institutionalize themselves but have encountered political barriers. In Peru, the CCM (CONAMUSA, National Health Commission) does not have the scope to fulfill the promise of its name, whereas the Ministry of Health had already established Health Commissions at the national and provincial levels that have broader terms of reference and go beyond the scope of the Global Fund. Constraints in some countries stem from what is considered to be a forced and somewhat artificial combination of the three diseases; because of this, the CCM, does not fit easily into any pre-existing structure.

However, in Tanzania, the CCM is perceived to have “transcended” the GF model to become fully country-owned, and the Kenyan CCM has successfully integrated national preexisting structures. These and other “best practice” examples have been the focus of the CCM Case Studies conducted by the Secretariat in September-October 2007, and the preconditions to their creation and evolution should be further analyzed to allow country sharing of experience and diffusion of knowledge.

Options for supporting increased alignment of Global Fund procedures and requirements identified by CPA respondents:

- De-linking financial reporting from program reporting,
- Monitoring a few outcome indicators for each disease, instead of one or more indicators for each service delivery area (SDA).
- Consider local fiscal year to avoid duplication of systems and overload of implementers.
- Adjust reporting requirements to take into account delays in disbursement to create a more meaningful and realistic reporting cycle, and reduce the establishment of parallel systems.
- Allow adequate resources to ensure long-term involvement of GF-related staff (incentives and salary support). Alignment should not serve as a pretext to invest less in human resources and therefore jeopardize local capacity building.

- More training and spacing between cycles should be considered, as well as more coordination and harmonization with other donors.

With regard to alignment with national disease programs, CPA respondents identified several areas where improvements can be made:

- Countries should be encouraged to submit proposals based on their national strategic frameworks or plans integrating national disease priorities, indicators and targets, but also identifying gaps in national capacity.
- Procedures should be adapted to what is normative to the country. Ministries of Health often operate based on annual plans, so it is often difficult for implementers to ensure quarterly reporting.
- Greater effort should be made to enhance alignment of reports, based on various donors reporting requirements and schedules. As the Fund is committed to promoting alignment, effort should be made to support harmonization with respect to reporting requirements.

3. Commitments to Divisions of Labor

Issues of overlap and duplication that inflict major burdens on developing countries are by no means limited to or even most pronounced with regard to health programs and initiatives, or to the Global Fund. In the area of international development banking, for example, there have been numerous studies showing high and costly levels of overlap and duplication. Concern with overlap and duplication in the multilateral development bank system led the United States Congress to form an independent study commission in 2000 under the chairmanship of Professor Alan Meltzer. The commission concluded that the multilateral development banks were riddled with very costly overlap and duplication and also that, in many respects, they had largely outlived their usefulness and recommended a radical restructuring¹⁹. A 2002 study on the United Nations agencies and institutions found vast and costly overlap and duplication²⁰. Similar findings emerged recently in the independent external evaluation of the Food and Agriculture Organization²¹.

Recognition of these constraints in the delivery of programs in the fight against AIDS led in April 2004 to formal endorsement of the “Three Ones” by UNAIDS, the Global Fund, the World Bank and key bilaterals. The “Three Ones” are:

- One agreed HIV/AIDS action framework to coordinate the work of all partners;
- One national AIDS coordinating authority with a broad-based multi-sectoral mandate; and
- One agreed country-level monitoring and evaluation system.

Eleven months later, in March 2005, donors and recipient countries met in London to assess the “Three Ones”. The conclusion was that not enough countries and donors were putting the “Three Ones” into practice and UNAIDS was asked to facilitate formation of a Global Task Team to issue

¹⁹ For a useful summary of the findings and recommendations of the report and the debates on overlap and duplication in the multilateral development banks, see

²⁰ Bezanson, Keith and F. Sagasti, *Perceptions and Perspectives on Overlap and Duplication in the United Nations Development System and Specialized Agencies*, IDS, 2002.

²¹ FAO: *The Challenge of Renewal*, report of the Independent External Evaluation of the Food and Agriculture Organization, FAO, Rome, September 2007.

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within 80 days recommendations on improving AIDS coordination among multilateral institutions and international donors. Three task forces, each composed of representatives from 24 countries and institutions, including governments of developing and developed countries, civil society, regional bodies and multilateral institutions, were established on strategy and funding, technical assistance, and monitoring and evaluation. The final report of the Task Team²² made ten very specific and targeted recommendations (see Box) with the aim of “strengthening coordination, alignment and harmonization, in the context of the Three Ones principles, UN reform and the OECD/DAC Paris Declaration on Aid Effectiveness”.

²² Final Report of the Global Task Team, June 14, 2005

Summary of Global Task Team Recommendations

1. Countries should develop annual priority AIDS action plans that drive implementation, improve oversight, emphasize results, and provide a solid basis for the alignment of multilateral institutions' and international partners'²³ support; within related efforts to progressively strengthen national AIDS action frameworks and root them in broader development plans and planning processes.
2. Countries should ensure that their macroeconomic and public expenditure frameworks support and appropriately prioritize the implementation of national AIDS action frameworks and annual priority AIDS action plans. The Bretton Woods Institutions²⁴, UNDP, and the UNAIDS Secretariat commit to supporting these actions.
3. Multilateral institutions and international partners should commit to working with national AIDS coordinating authorities to align their support to national strategies, policies, systems, cycles, and annual priority action plans.
4. In line with the Paris Declaration, the Global Fund, World Bank, other multilateral institutions, and international partners should (a) progressively shift from project to programme financing²⁵, based on costed, prioritized, evidence-based, and multisectoral national AIDS action frameworks and annual priority AIDS action plans that are linked to broader development processes such as Poverty Reduction Strategies; and (b) commit to harmonizing and better coordinating their programming, financing, and reporting.
5. The UN Secretary-General should instruct the UN Resident Coordinator to establish, in collaboration with the UN Country Team, a joint UN team on AIDS – facilitated by the UNAIDS Country Coordinator – that will develop a unified UN country support programme on AIDS within the national planning framework.
6. The multilateral system should establish a joint UN system-Global Fund problem-solving team that supports efforts to address implementation bottlenecks at country level.
7. UNAIDS Cosponsors and the Global Fund should establish a more functional and clearer division of labour, based on their comparative advantages and complementarities, in order to more effectively support countries.
8. Financing for technical support should be considerably increased, including by expanding and refocusing UNAIDS Programme Acceleration Funds²⁶ so they enable the UN system and others to scale up the provision and facilitation of technical support, based on requests by countries.
9. Within existing participatory reviews of national AIDS programmes, UNAIDS should assist national AIDS coordinating authorities to lead participatory reviews of the performance of multilateral institutions, international partners and national stakeholders that build upon existing OECD/DAC standards and criteria for alignment and harmonization.
10. Multilateral institutions and international partners assist national AIDS coordinating authorities in the strengthening of their monitoring and evaluation mechanisms and structures that facilitate oversight of and problem-solving for national AIDS programmes.

While exclusively focused on AIDS, the recommendations made by the Task Team were comprehensive and ambitious and, therefore, implied a significant transformation to the larger

²³ The term "multilateral institutions and international partners" includes UN system organizations, the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund), the bilateral agencies of donor governments, foundations, and international non-governmental organizations, private sector companies and academic institutions

²⁴ The Bretton Woods Institutions refers to the International Monetary Fund (IMF) and the World Bank Group (the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency, and the International Centre for Settlement of Investment Disputes).

²⁵ A programme-based approach is defined as "a way of engaging in development co-operation based on the principle of co-ordinated support for a locally owned programme of development, such as a national poverty reduction strategy, a sector programme, a thematic programme or a programme of a specific organisation." Financing options in a programme-based approach include coordinated parallel financing and pooled funding.

²⁶ The UNAIDS Programme Acceleration Funds (PAF) is an existing mechanism that draws primarily on the UNAIDS Unified Budget and Workplan. It provides UN Theme Groups on HIV/AIDS with seed funds to be used for catalytic activities in support to national AIDS responses, such as leveraging new and greater funding. PAF can be used both to finance UN agency activities at country level and to rapidly transfer funds to country-level partners for their activities.

international architectural framework. If fully implemented there is little doubt that they would make a vast contribution to improved coherence not only in addressing the AIDS pandemic, but with spillover effects to the architecture of international cooperation.

The main problem is not in the design of the GTT recommendations but in the slow pace of follow-through. Within the multilateral system, there is little evidence of serious response to the invitation and opening provided by the report for a serious and decisive review of division of labour issues with regard to HIV/AIDS. All organizations continue to express full agreement with and support for the spirit of the GTT recommendations but the representatives of the main organizations in the multilateral health system who were interviewed during this evaluation were largely unable to point to significant and concrete actions that have resulted, at least to date. The Global Fund, of course, cannot resolve these issues on its own. With regard to GTT's recommendation 4, some of the major funders of the Global Fund have remained opposed to a move away from project funding and into programme and basket financing arrangements. This has been a significant barrier to harmonization and alignment, as it has limited the ability of the Fund to move away from single, stand-alone projects. With regard to recommendation 8, no architecture-wide arrangements have been made to address the needs for technical assistance; the unfunded mandate problem remains largely unchanged.

In late 2005, the AIDS statistical update of UNAIDS reported that, despite progress in a small but growing number of countries, there was a continuing "implementation crisis...(with) "a multitude of international organizations.....converging on countries with limited administrative and managerial public health capacities". At the same time, the Global Fund Secretariat launched a follow up to the Task Team Report with a view to complementing that report's strong emphasis on division of labour issues largely between UNAIDS and the Global Fund. The follow up involved an independent review of the roles of the World Bank and the Fund and was aimed specifically at facilitating an international division of labour between the two. The report²⁷ (referred to as the Shakow Report) reviewed recent studies of global health programs showing "poor coordination and duplication, high transaction costs, variable degrees of country ownership, and lack of alignment with country systems. The cumulative effect of these constraints is to risk undermining the sustainability of national development plans, distorting national priorities, diverting scarce human resources and/or establishing uncoordinated service delivery structures."²⁸

Three fundamental themes emerged from the Shakow report:

- The "Three Ones" principles must be adhered to. "Broad pronouncements and exhortations are not enough." The report recommends that country-specific action plans be prepared, budgeted and implemented.
- The Global Fund should go beyond emphasizing and reemphasizing its comparative advantage as a financing, not an implementing, agency. The report calls on the Fund to give much greater strategic and operational precision to its financing role, but also to provide much greater strategy specificity on what it will not do, as well as what it will do. Its main focus should be on financing directly the prevention and treatment of the three diseases. In differentiation from this, bilateral and multilateral donors in the UNAIDS family, including the World Bank, should

²⁷ Global Fund-World Bank HIV/AIDS Programs: Comparative Advantage Study, A. Shakow, January 2007.

²⁸ Ibid., page 3.

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provide more support for policy dialogue, analytic work, project preparation and implementation at the country level.

- The World Bank's main comparative advantage lies in systemic health sector capacity building. Its strategic and programmatic focus should emphasize this to a much greater extent and with enhanced clarity..."no other agency has the reach, the expertise, and the experience that the Bank has, including the ability to link the health sector to broader macroeconomic and budgetary issues in each country."

Flowing from these themes, the report makes a range of very specific recommendations in the form of "Action Plans" for the Bank and the Fund as well as a joint Action Plan. These include recommendations for:

- Concrete joint institutional support for one national plan (costed and prioritized), one national coordinating body, and one national monitoring and evaluation system.
- Unification of the National AIDS Committees (or their equivalents) and CCMs wherever possible.
- Concrete work towards having a common procurement system as well as a common monitoring and evaluation system, including other donors wherever possible.
- Systematic collaboration at country level to strengthen the due diligence and fiduciary capacities of the Global Fund as well as its needs for country analysis, diagnostic work and evaluations. The report admonishes "The current propensity of the Global Fund to promote different channels of support for its projects, and to eschew being part of the effort to adhere to national priorities, is consistent neither with its comparative advantage nor its commitment to the Three Ones principles."
- A move towards coordinated national programs and pooled financing (consistent with the recommendations of the Global Task Team).

The report also admonishes the World Bank for its propensity to assume senior leadership roles as a matter of course. Specifically, the report states, "World Bank leadership...does not mean that it should assume all the responsibilities. On the contrary, it should also serve as a broker to the much larger effort and investments required to build sustainable health delivery systems in poorer countries, especially as the resources required will doubtless exceed by a considerable margin even those available to the World Bank. In this connection, a strengthened and more complementary partnership with WHO is particularly important. There is no need for the World Bank to duplicate expertise in the specific disease-related technical areas where WHO should be the lead authority. Similarly, WHO should not duplicate the Bank's comparative advantage in the health systems area."

As with the GTT report, follow up from the Shakow Report has been at best slow and uncertain. The joint leadership initiative at the heads of both agencies level recommended as an essential means to accord gravitas and clear direction to a working out of an agreed division of labour did not occur; neither was there a joint working level effort to define concrete measures that would translate the recommendations of the report into a clear, agreed, and enforceable division of labour. The Bank's new health strategy²⁹, approved on April 24, 2007, however, makes a formal commitment to correct this situation. It states that: "The Bank has comparative advantages for health system strengthening mainly in the areas of health financing, insurance, demand-side interventions, regulation, and

²⁹ Healthy Development: The World Bank Strategy for Health, Nutrition and Population Results, World Bank, Washington

systemic arrangements for fiduciary and financial management. The Bank will actively seek collaborative division of labor with global partners, based on respective comparative advantages”³⁰ Moreover, this commitment is further stated as time bound by means of “*Specific agreements with WHO and the Global Fund on collaborative division of labor at country level (next 12 months)*”³¹ (emphasis ours). Unfortunately, the 12 month period has now elapsed with no agreements having yet been signed; moreover, this evaluation was unable to find evidence of even discussions and negotiations between the Bank and the Fund that might lead to a division of labor agreement.

4. *New Initiatives and Opportunities for the Global Fund*

A new initiative, again aimed at introducing coherence, harmonization and development effectiveness into the international development architecture for health efforts was recently (September 6, 2007) launched in London. Led by the Prime Ministers of Britain, Germany and Norway and titled “The International Health Partnership”, the agreement was signed by eight bilateral donors, seven developing countries, nine international organisations (including the Global Fund, the World Bank, UNAIDS and WHO), and two other donors. The new partnership involves no new money. Rather, it has been launched with the specific aim of transforming the development architecture of health delivery in order “to increase development effectiveness by solving the problems caused by the proliferation of bilateral donors, international agencies and other actors.”³² Developing country ministers at the launch events spoke eloquently about the burden of donor overload, but also about the highly selective focus of donor health spending: AIDS and malaria are high profile and reasonably well-funded, but there are many forgotten diseases and problems. The DFID website gave three reasons why the new initiative was necessary (see Box X). Clearly, this assessment and the launch of the initiative itself underscores frustration with the pace of progress towards effective harmonization and continuing concern over the structure of the system and the ways in which it functions.

Summary Rationale for the International Health Partnership

- First, global health assistance is over-complex, with many different health partnerships and international organisations providing aid – currently there are more than 40 bilateral donors and 90 global health initiatives. Their support comes through separate aid channels, leading in many cases to fragmented health provision on the ground and a reduction in the effectiveness of much of the aid. They also compete for limited trained staff, and can function outside the recipient countries’ priorities and structures.
- Secondly, countries find it costly and time consuming to deal with so many partners. For example, Zambia’s health system has support from 15 major international partners, all of whom expect separate reports, meetings and time – time that would be better spent building the health system than on managing donors.
- Thirdly, not enough focus has been put upon building strong sustainable health systems in poor countries.

Source: DFID website

³⁰ Ibid., page 18.

³¹ Ibid., page 13.

³² The Guardian, September 7, 2007, page 9.

The donor signatories to the Partnership undertake to better coordinate their support by focusing on comprehensive national health plans, strengthening national health systems and, where possible, providing longer-term, flexible aid through national systems. Presumably such coordinated approaches would include routine and broad salary support in situations where this is required for effectiveness and sustainability. Although salary support was not specifically mentioned at the launch, evaluations conducted by donors in several countries have demonstrated conclusively the necessity for this³³. The developing country government partners pledge under the partnership to invest further in health systems, address policy constraints to progress, strengthen planning and accountability mechanisms to make them more inclusive and transparent, and better link aid to improvements in health outcomes. Roles are also proposed for civil society in relation to planning, monitoring, review and accountability.

The main sponsors of the partnership envisage that others will join, and therefore included in the launch a specific invitation to that effect. The initial list of invitees is: on the recipient side, Burundi, Cambodia, Ethiopia, Kenya, Mozambique, Nepal and Zambia; on the donor side, UK, Norway, Germany, France, Italy, Portugal, Netherlands and Canada; among the international organizations, WHO, the World Bank, the Global Fund, GAVI, UNFPA, UNAIDS, UNICEF, UNDP and the EC; listed as others, the Gates Foundation and the African Development Bank.

As with prior initiatives and reports such as the GTT and Shakow report, there appears to be little evidence of resulting actions to date to indicate real reforms and genuine progress. The problems that led to the launch of the IHP are real, as is the potential for important gains. These could include: (a) an increased focus on the kinds of health systems that are essential for healthy populations, including training, infrastructure and acceptance of the need to finance salary costs in certain circumstances; (b) more systemic approaches that would deal with the so-called orphan illnesses and not only those in the mainstream; and (c) provision of a thus-far elusive framework for harmonization and alignment to reduce high transaction costs and unsupportable burdens on developing countries.

If the new International Health Partnership does gain momentum, however, there is the central question of whether it will leverage the substantial resource allocations that will be needed if the principles of the partnership are to be met, namely the focus on meeting the requirements for sound and sustainable health systems. There could be under such a scenario major implications for the place of the Global Fund in the architecture, including a risk of the Fund being viewed as the donor of last resort for the financing of health systems strengthening. In this regard, it is instructive to recall that the major education sector partnership, the Education for All - Fast Track Initiative, which has a well defined process of national education plan "endorsement," encountered problems after finding that its endorsement of country plans as credible and robust have not actually resulted in a boost of funding from donors.

Nevertheless, the new International Health Partnership+ might help to resolve the continuing debate about the merits of "vertical" (or single focus) funds such as the Global Fund and the "horizontal" approaches of other financing mechanisms. The partnership could furnish the arrangements required for the Global Fund to rapidly increase the percentage of its overall operations assigned to national health strategies, in collaboration with others, thereby moving more

³³ See, for example, Review of Health and education Progress in Selected African Countries (RHEP-SAC) Synthesis Report, Africa Policy Department, DFID 13 May 2005

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to an institutional strategy predicated on “campaigning vertically (for resource mobilization around key MDG targets) but spending horizontally (through sector-wide and national strategy programs)”.

A further factor in the IHP+ that is also noteworthy for the Global Fund is the explicit reference to performance-based funding. PBF is described under the partnership as a compact between donors and developing country governments, and it specifies a linkage between increasing levels of external support and performance. Application of this principle across multiple donors acting together through pooled or basket financing would require a collective effort to resolve the host of difficulties encountered in performance-based funding in the health sector.

E. Conclusions

The 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, yet has largely left unaddressed the critical issue of strategy development. Until March 2007, the changes that were made were largely in the form of add-ons and piecemeal adjustments. The Board approved in March 2007 a number of measures which were presented as the Global Fund Strategy, whereas the measures are rather a series of discrete and incomplete policy instruments. However, these policy instruments also amounted to more than the former piecemeal efforts, including directional decisions regarding health systems strengthening financing, moving to funding of National Strategy Applications, and a dual-track financing mechanism. 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, and that the pace of change continues to be constrained by a slavish adherence to the founding principles.

The incremental approach is not addressing some of the real threats to the Global Fund in maintaining some of its niche in the global development architecture, such as reducing the demands on the Secretariat in order to maintain its low staff to financing commitment ratio. By not explicitly analyzing the resource implications of each additional Board decision, particularly in light of a trebling in the financing that needs to be moved, the Global Fund risks placing itself in a truly untenable position.

Hand in hand with this avoidance of resource implications of policy decisions and changes in architecture is a reluctance to address head on the pressures of due diligence and fiduciary oversight that will accompany financing at three times the current level. Several internal architectural elements that are opening up risk for the Global Fund in these areas have been identified by this evaluation, including the lack of oversight of SRs, the persistent denial of the very real roles the Secretariat plays in grant management, and the lack of coherence in internal monitoring systems of the Secretariat.

IV. Global Fund Partnerships

A. Introduction

The centrality of the concept of partnership cannot be overemphasized in the context of the Global Fund. The Global Fund is, itself, a public-private partnership, and its dependency on partnerships -- on working entirely through others for the achievement of global public health goals-- was stipulated as one of its defining features in the original architecture when the Global Fund was established.

At the same time, partnership is a complex concept that generates an overwhelming number of definitions. At its most simple, partnership is a relationship between individuals or groups that is characterized by mutual cooperation and responsibility, as for the achievement of a specified goal³⁴. Often, in development and health, partnership is a formal alliance of organizations, groups, and agencies that have come together for a common purpose³⁵. Partnership is desirable because it acknowledges the importance of mutually supportive alliances through which partners recognize their dependence on each other for the achievement of shared and private goals. At country level, it was envisioned that stronger partnerships would boost capacity to deliver services and help to engage communities and beneficiaries more effectively, thereby allowing better leadership that addressed shared ambitions and priorities. It was in this spirit that partnership became a core component and defining feature of the Global Fund.

A statement found frequently in Global Fund literature is that it is a “financing only” entity. As noted in the previous section of this report, while it is true that the Global Fund is a financing entity, it is in fact much more than this. Its first role is to raise large amounts of financing for the fight against the three diseases, but it is also required to serve as a catalyst to coordination and collaboration with other global entities while at the same time demonstrating effectiveness at national and local levels. The Global Fund has been specifically tasked to achieve this by not applying the traditional model of international development organizations, which involves program planning, the direct provision of services such as technical assistance, and field presence in one form or another. Instead, the Global Fund model, that combines massive financing, an exceptionally small secretariat in comparison to all other global development organizations, and no field operations, can succeed only through catalyzing effective partnership arrangements at the national and local levels (where delivery occurs and where effectiveness is determined) and at the global level (where resources need to be mobilized and also where a rational and effective division of labor is essential to a sustained and effective global effort).

In articulating its vision of partnership³⁶, the Global Fund emphasizes the role of partners to work together “to make a real difference to the effectiveness and efficiency of the achievement of shared goals.”³⁷ This vision both describes five types of partnership, and outlines operational parameters that serve as internal benchmarks for the extent to which the partnership model has functioned as expected. The types of partnership suggested by the Board include:

³⁴ Dictionary.reference.com, accessed 23 May 2008

³⁵ WHO (2003) The Power of Partnership: Global Partnership to Stop TB; WHO/HTM/STB/2003.24

³⁶ Framework Document, First Board Meeting of the Global Fund, 28-29 January 2002.

³⁷ Ibid., p. 2

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- Technical partnership with development partners, where UN agencies (WHO, UNAIDS notably) feature prominently but not exclusively;
- In-country partnership where CCMs are “the bedrock of the concept and functioning of the Global Fund;”
- Partnership with NGOs and civil society, which operates from the Board structure to in-country operations;
- And the two overlapping private sector and resource mobilization partnerships.

Study Area 2 addresses the effectiveness of each of these types of partnership, with the exception of resource mobilization, which was addressed by Study Area 1³⁸. Primary data was collected from the 16 CPA countries on CCMs; focus groups with CSOs both participating and not in Global Fund activities were conducted in 13 CPA countries; development partners were interviewed at global and country levels; and a focused study on private sector participation was conducted.

B. Summary of Findings: Global Fund Partnerships

The Global Fund model of partnerships has produced a paradigm- and power-shift in the international and national discourse on human health. This model has opened spaces for dialogue and participation that would not otherwise have existed. This has raised expectations among in-country and global partners, and now requires, to an increasing extent, the consistent participation and engagement of a broad range of stakeholders, including CSOs, the private sector, and affected persons and communities.

The Global Fund has rapidly mobilized an extensive range of innovative partnerships to combat the three diseases, which has allowed for allocation of resources on an unprecedented scale. Overall, development and technical agencies have welcomed the influx of resources brought by the Global Fund and have developed strategies to help countries access funding and implement successful grants. However, although the Global Fund envisions that development partners will assist with improving the quality of proposals, support effective implementation, monitor and evaluate grants, and identify potential problems with grants³⁹, there has been little clarification of how the Global Fund will facilitate partners to meet these high expectations, leading some partners to point to a growing problem of an “unfunded mandate” with relation to Global Fund grants.

Technical partners clearly noted that the partnership with the Global Fund has been improving over time. There is, however, a need for the Secretariat to clearly define roles and responsibilities for communication and information sharing, and regular interaction with technical and development partners. The new Partnership Cluster within the Secretariat presents a significant opportunity to continue and sustain these improvements.

This evaluation found that CCMs, as the core partnership mechanism at the country level, have been an innovation that 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. Although the CCMs were constructed anew just five years ago, this mechanism has been able to successfully facilitate access to additional financing, including for CSOs, and actively include a

³⁸ Insert SA1 Final Report title here...

³⁹ “The Global Fund Vision of Partnership”, GF/B7/7, Annex 8, March 2004

wider diversity of voices in national disease control planning and programming. However, this evaluation also found that the functionality of CCMs is highly variable among countries, and poor functionality was most often cited as a barrier to effective participation of non-government members; however, there is scope for improvement through technical and financial support.

CSO involvement in all global and country processes to help rapidly scale up disease prevention and treatment efforts for HIV/AIDS, TB, and malaria has been a priority for the Global Fund since its inception. This evaluation found unequivocal progress in including CSOs in these processes, through the creation and structures for their representation and participation, including through provision of grant financing. At this juncture, the principal challenges stem from the diversity of CSOs and their social roles and objectives. Many CSOs are skeptical about how closely they should partner with government, as this may undermine their obligation to counter-balance government perspectives. A “one-size fits all” approach to CSO partnership will not respect this diversity and richness; the sheer number and diversity of CSOs in some countries will require more tempered expectations of “successful CSO participation”.

This evaluation found that partnerships with the private sector are weak at best, and non-existent in many cases, mostly from the country perspective, but also at the global level. Private Sector representation on CCMs is minimal, and resource mobilization or co-investment examples were rare. Communications with the corporate sector are ineffective and without sufficient consultation with principal stakeholders. Strategies to engage the private sector in Global Fund work were not found in the 16 CPA countries; although CCMs recognized the potential benefits of increased private sector involvement, they were often at a loss at how to proceed. A clear and expanded strategic approach to engage the private sector at both global and country levels was found to be lacking.

The progress with CCMs and CSOs notwithstanding, the core components of the partnership model do not yet comprise a well-functioning system for the delivery of global public goods. The lack of clarity and consistency about partner roles and responsibilities has resulted in diverse expectations about the essential support countries need to receive, which partners are expected to meet them, and the financing for providing that support. Unsystematic coordination between the FPMs and the technical agencies carries a risk of critical gaps in terms of missed opportunities for funding (i.e., repeated proposal failure in high burden countries) and for early identification of implementation problems and problems related to lack of capacity in country.

The evidence gathered in the Five-Year Evaluation also shows that many Global Fund partnerships have been entered into more as ends in themselves, rather than as means to specific and well-articulated purposes and goals. The evidence also shows very different levels of engagement with and support for the GF model internationally. At the global level, systematized partnerships based on clear understandings of comparative advantage and appropriate divisions of labor are yet to emerge. While this is partially due to the lack of a clear partnership strategy and approach on the part of the Global Fund, it is also due to inertia and, at times, negligence, on the part of other development agencies. This has resulted in the inability of the Global Fund to carry out one of its original mandates, which was to fill these gaps. Carefully differentiated approaches, specific partnership strategies and the establishment of priorities that are proposed and agreed on by all parties are essential, if the Global Fund is to productively engage partners and attain its objectives of scaling up and achieving impact on the three diseases and the MDGs.

The Global Fund’s partnership model requires a dynamic approach to developing, nurturing, and sustaining partnerships, one that recognizes that the different stages of partnership development

are not always linear and fixed, but more often flexible and iterative. Table 3 presents a framework for conceptualizing types of partnership, placing them in the context of stages of partnership arrangements that the Global Fund could consider when moving forward with the recommendations presented below.

Table 3: Partnership typology framework

Nature of partnership(in order of increasing intensity)	Description	Objective	Indicators	Possible areas for partnership	Key requirements
1. Consultative partnership	Sharing of knowledge/information/technologies through agreement on lines/forms of communication	Information exchange Awareness building	Regular venues and/or systemic structures for information exchange	Seminars, workshops, consultations, newsletters, electronic connectivity	Openness Participatory
2. Coordinative partnership	Separate initiatives not necessarily supportive of each other yet aspiring to complementarity to achieve efficiency and effectiveness	Avoidance of duplication Synchronization of activities	Interagency committees and activities Agreement on norms to guide mutual review	Awareness Campaigns Ad hoc committees on country, sectoral or scientific concerns	Openness Regular and sustained efforts Representative arrangements
3. Complementary partnership	Separate initiatives but guided by a common framework characterized by purposive efforts to support each other	Integrated program approaches Resource sharing	Programmes that can achieve objectives only if others achieve theirs	Public-private MOUs on technology production and distribution	Mutual trust Established complementarity of interests Leadership support Participatory
4. Collaborative partnership	Joint efforts with a common vision and objectives	Joint programmes Policymaking	Long-term joint programmes Institutionalized mechanisms	Integrated area development Policy formulation Decision making In national bodies	Mutual trust Shared vision Congruence in strategy Leadership Participatory Clear delineation of tasks/responsibilities
5. Critical partnership	Interdependence Recognition of each other as indispensable partners in the development process	Joint strategic planning, shared decision-making, and implementation	Long-term and Institutionalized working relations	All undertakings	All of the above plus:-longer-term, codified 'voting' or decision-making regime

C. Recommendations: Global Fund Partnerships

Recognizing that its success is critically dependent on effective and efficient partnerships, **it is recommended that the Global Fund continues to seek a clarification of the roles and responsibilities of other entities at both global and country levels.** This requires not only initiative and leadership from the Global Fund, but also willingness, commitment, and follow-through from the Global Fund's partner organizations. Specifically, partnerships need to be clarified with regard to strategy and operationalization, in six inter-related areas:

2. It is recommended that **the Global Fund Board 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, 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:
 - a. The need for a division of labor 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.
 - b. the fiduciary, oversight, and technical support requirements of programs within the Global Fund portfolio;
 - c. the specific roles of partners that will add value to different stages of the grant life cycle;
 - d. more systematic inclusion of partners that support tuberculosis and malaria in high-level discussions and planning.
3. It is recommended that **development partners strengthen their bilateral engagements with the Global Fund**, in particular by:
 - a. 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;
 - b. Ensuring active engagement of the partner organization at the country level with respect to both CCM participation and support of grant implementation;
 - c. 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 CCMs.
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.

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- 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.
 - 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
5. It is recommended that ***the Secretariat review the roles and functions of the CCMs***, 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:
- a. 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
 - b. 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;
 - c. 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.
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:

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- 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
7. It is recommended ***that 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***, with a particular focus on:
- a. the roles and responsibilities of the Global Fund’s Fund Portfolio Managers in facilitating partnership and communications among partners at the country level;
 - b. the roles and responsibilities of the new Partnership Cluster in facilitating and catalyzing partnerships at the global and country levels;
 - c. communication between and among different clusters and units in the Secretariat, and between the Secretariat and country-level partners.

D. Summary of Evidence: Global Fund Partnerships

This section builds on the issues of the Global Fund’s fit in the development architecture that were elaborated in the previous section, focusing primarily on specific partnership arrangements with technical, private sector, and CSO partners for support of grants in country, and on CCMs as the principal partnership mechanism at the country level.

1. Technical Partnerships with Development Partners

The Global Fund is a partnership of a wide range of global development actors, bilateral and multilateral. However, fewer partners play significant roles in providing direct support to grants in country. Two of the central technical partnerships for grant support in country include those with UNAIDS and WHO. As the administrative and organizational partnership arrangements with WHO were evolving dramatically during the period of this evaluation, Study Area 2 focused on the three technical partnerships that work closely with WHO technical departments, and play a particular role in supporting Global Fund grants in country:

- UNAIDS, working with WHO’s HIV/AIDS Department
- The Stop TB Partnership, working with WHO’s Stop TB Department; and,
- The Roll Back Malaria Partnership (RBM), working with WHO’s Global Malaria Programme (GMP).

Key Finding: The Global Fund has created new opportunities for traditional development partners to participate in activities to combat the three diseases at the global and country levels. However, the inconsistent operationalization—by both partners and the Global Fund itself—has resulted in weaknesses in the partnership model, specifically in the areas of establishing shared objectives and identification of clearly identified deliverables.

At the global level, development and technical partners are engaged with the Global Fund either through Board representation or through regular engagement with the Secretariat. Individual Memoranda of Understanding (MoUs) have been negotiated with three organizations (UNAIDS, STP, and IDB), at different time points, but they have been driven by specific issues raised by each technical agency, rather than any strategic formulation by the Global Fund of what the basic partnership arrangement should include. Because of the extended negotiation time around MoU signing⁴⁰, this evaluation found that partners did not feel that MoUs were necessarily desirable; however, most pointed to the need for more systematic communication with the Secretariat in order to improve partnership effectiveness.

Technical partners at both the global and country levels reported not having a consistent point of contact within the Secretariat, particularly with regard to individual grants; this was most often cited as the barrier to more effective partnership collaboration and realization of shared objectives. Several partners interviewed felt that the strength of the partnership was very dependent upon individual relationships between representatives from the partner organization and individual FPMs, noting that “the partnership with the Global Fund is strongest in countries where the FPM takes an active role in working with us”. These same partners mentioned that there are other cases where FPMs are difficult to reach or not as engaged in the partner relationship. The strength of this connection between partners and the Global Fund Secretariat was most often cited as the barrier to more effective partnership collaboration and realization of shared objectives.

This evaluation found that FPMs are considered to be the key to technical partners’ collaboration with the Secretariat, yet all technical partners interviewed felt that relationships with FPMs were highly dependent on interpersonal relationships instead of policies and procedures. A common observation from technical partners was that frequent staff turnover at the Secretariat, especially of FPMs, is a challenge to efficient and effective collaboration.

The operationalization of partnerships has varied over time, but a more consistent model is emerging in the three disease areas (Table 4). In many regards, the current partnership between the Global Fund and the technical agencies is still nascent, as ongoing coordination with FPMs and the Fund’s Secretariat to identify country needs and appropriate responses still relies heavily on interpersonal relationships, ad hoc opportunities, and mostly moves forward based on initiative taken by the technical agencies.

⁴⁰ The two-year negotiation and signing process of the Stop TB Partnership MoU was most often referred to by global stakeholders

Table 4: Partnership arrangements with three technical partnerships

	UNAIDS	STP	RBM
Participation in GF Board	Non-voting seat	Observer (non-voting seat denied)	Observer (non-voting seat denied)
Communications with Secretariat	Regular meetings since 2006	1.5 FTEs allocated within STD/WHO as GF point persons	GF Secretariat Operations Unit Cluster Leader member of RBM Harmonization Working Group
Existing formal arrangements	MOU	MOU	None to date
Established plans and strategies in support of GF proposal development	Yes	Yes	Yes
Established plans and strategies in support of GF grant implementation	Yes	Yes	under development

UNAIDS has the most systematic and closest partnership with the Global Fund. For example, only UNAIDS holds a non-voting seat on the Global Fund Board; both STP and RBM are invited as observers, but both have requested the Global Fund Board to consider granting them non-voting seats. In addition, UNAIDS is also a member of the Policy and Strategy Committee, part of the portfolio review group, and the TERG. Although both STP and RBM have Global Fund Board members on their respective boards, relations at the Board level are considered to be ad hoc.

Representatives from RBM and STP reiterated during stakeholder interviews that they do not consider that the WHO seat on the Global Fund Board adequately represents their organizations or disease areas, especially as both are partnerships that reach beyond WHO. All three partnerships feel that Global Fund is not sufficiently mindful of the fact that UNAIDS, STP, and RBM are themselves partnerships. Given this, Global Fund Board documents arrive too late to allow adequate discussion among the diverse partners themselves before the Global Fund Board meetings. The three technical partnerships also manage their relationship with the Secretariat differently (Table 4). Only UNAIDS has regular meetings with the Secretariat. STD/WHO has proactively assigned 1-2 FTEs to liaise with the Global Fund Secretariat⁴¹. RBM expressed an interest in having a small team of people within the Global Fund Secretariat to regularly review progress on malaria. For the moment, one cluster leader from the Operations Unit of the Secretariat participates in the RBM Harmonization Working Group.

The collaborative arrangements between partners and the Secretariat mentioned in Table 4 frequently do not include the FPMs, although this was unanimously identified by partners as critical.

⁴¹ Stop TB TBTEAM Support to countries for implementation of Global Fund TB grants; TBTEAM Secretariat, WHO, 16 July 2007

While feedback from technical agencies on their relationship with FPMs is universally positive, the ad hoc manner and mostly inter-personal basis on which this happens, is potentially risky and non-sustainable. Technical partners clearly expressed the desire for more systematic communication, and closer collaboration with the FPMs, in order to be able to efficiently and effectively address country needs.

Technical partners nevertheless noted that the partnership with the Global Fund has been improving over time, in spite of current identified shortcomings. There is, however, a need for the Secretariat to clearly define roles and responsibilities for communication and information sharing, and regular interaction with technical and development partners. The new Partnership Cluster within the Secretariat presents a significant opportunity to continue and sustain these improvements.

Development and technical agencies have welcomed the influx of resources brought by the Global Fund and have developed strategies to help countries access funding and implement successful grants. However, concern about the continued financing of this support was expressed by both global technical partners and bilateral development partners in country. Global technical partners expressed concern about competition over scarce resources from the same sources that, combined with a growing demand for technical support, is contributing to the development of a significant “unfunded mandate”. On the other hand, some bilateral country representatives expressed concern that, within their own agencies, a clear strategy that reconciles the donor’s replenishment contributions to the Global Fund with its bi-lateral work in country is lacking, leading to “double contributions” that were essentially unrecognized. Sensible financing arrangements for the work of technical partnerships and other donors in supporting grants are a critical issue that must be addressed by the Global Fund and its partners alike.

5. *Country Coordinating Mechanisms (CCMs)*

Key Finding: The defining features of Global Fund country-level partnerships over the past five years have rested, by design, on the CCM model, despite significant variations in how the model functions in different country contexts. Regardless of this variation, this 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 with regard to raising the visibility and participation of groups such as civil society organizations and affected communities. At the same time, the CCM was most often seen as a Global Fund entity rather than a mechanism for promoting country ownership, due to that fact that CCMs were rarely built into pre-existing national structures.

This evaluation found that there was progress with CCM formation, representation, and governance in all 16 CPA countries (Table 5). SA2 country teams collected data using the same formats and questions as the Secretariat’s 2005 CCM Baseline Study⁴². A single knowledgeable informant (usually the CCM Executive Secretary or CCM president) was engaged to give narrative answers. As in the 2005 CCM Baseline, all answers had to be corroborated with written documentation⁴³.

⁴² Assessment of Country Coordinating Mechanisms Performance Baseline, The Global Fund 5-Year Evaluation, TERG, December 2005

⁴³ One should use caution in interpreting comparisons in the table. There are both sampling errors and potential non-sampling errors (i.e., bias) that limit the comparability of SA2 data with that of the 2005 CCM baseline. In terms of sampling errors, the comparisons are made with the 2005 CCM Baseline study which had 80 respondents. The present study has data from 8-12 CCMs for each characteristic. These are obviously small sample sizes. However, a sample size calculation shows that with a universe of 134 CCMs, with a sample of 14,

Table 5. Progress against CCM Requirements (from 2005)				
	Criterion	% CCM that met requirement in 2005 baseline	% CCM that met requirement in CPA (2004) countries	CPA countries with complete data
1	CCM shows evidence of membership of people living with and/or affected by the diseases (scored YES if at least one disease represented)	71%	100%	12
2	Establish and maintain a transparent, documented process to nominate the PR and oversee program implementation	46%	82%	11
3a	Establish and maintain a transparent documented process to solicit and review submissions for integration into the proposal	58%	55%	11
3b	Establish and maintain transparent documented process to ensure input of broad range of stakeholders (CCM and non-CCM members) in proposal development & grant oversight	31%	60%	10
4	Representatives from non-government sectors selected by own sector(s) based on documented transparent process developed within each sector .	52%	9% (55% NGO sector only)	10
5	When PRs & Chair or Vice-Chair are from same entity, CCM must have written plan to mitigate against this conflict of interest (counted as YES those for whom this does not apply and those with policies in place when it does apply)	23%	91%	11
I. CCM representation and composition - representation of non-govt. sector and women				
1	At least 40% CCM members from non-government sectors	67%	70%	10
2	Percentage women on CCM	Avg. = 30%	36%	11
II. CCM participation - sectors can document consultative process to select representative(s)				
1	Private sector	8%	13%	8
2	Religious organizations	12%	22%	9
3	Academic	16%	25%	8
4	People living with or affected by diseases	25%	56%	9
5	NGO	27%	60%	10
III. CCM governance & management procedures are democratic and transparent				
1	CCM with written terms of ref., by-laws or op. procedures	52%	100%	11
2	Procedures for selecting Chair/Vice-Chair	39%	100%	10
3	Equal voting rights	40%	80%	10
4	Mechanism for decision making	45%	100%	10
5	Defined roles & responsibilities vis-à-vis other coord. bodies	40%	64%	11
6	Guidelines for ethical behavior	21%	27%	11

the 95% confidence interval is 25%. So differences of at least 25% were taken as significant. There are also potential biases, as neither the 2005 CCM baseline nor the SA2 study are random samples. The 2005 baseline was sent to all CCMs and analysis was done on those who returned the survey. This would tend to bias toward more prepared CCMs that have the means and capacity to collect the needed documentation and return the survey. The SA2 study was also not a random sample and was only done in countries chosen by the TERG as important enough to warrant inclusion in the Five Year Evaluation and who's CCMs agreed to be included. Presumably this also biases the SA2 sample toward more prepared CCMs. Since these biases are in the same direction, we cautiously contend that there is comparability between the studies. If these assumptions are correct, then differences flagged in the table reflect real changes in CCMs from 2005 to the present. Differences are rationalized assuming that they represent true changes in CCMs in the intervening two years.

The Global Fund's CCM Guidelines⁴⁴ state that "CCM members representing the non-government sectors must be selected/elected by their own sector(s) based on a documented, transparent process, developed within each sector." The Global Fund defines "non-government sectors" as including the academic and educational sector; the NGOs and community-based organisations sector; the people living with HIV/AIDS, TB and/or malaria sector; the private sector; and the religious and faith-based organisations sector⁴⁵.

With regard to CCM eligibility criteria, CCMs now universally include people living with the diseases compared to 2005, in particular PLWHAs (100% vs. 71%). They also are much more likely to have broad inclusion of stakeholders for proposal development and grant oversight (67% vs. 31%). Selection of the PR and conflict of interest mitigation appears to be much more transparent now. There was clear evidence in the CPAs of a shift in rules and membership composition after the Board decisions in 2005 that led to a revision of the CCM guidelines⁴⁶.

In terms of documentation of a consultative process, there appears to have been significant improvement for NGOs (58% vs. 27%) and People Living with Diseases (64% vs. 25%). However, this improvement has not been mirrored in the other sectors – private sector, religious organizations, and academic where a minority of CCMs could document a transparent selection process. This was corroborated by constituent CCM members interviewed in the CPAs, who typically stated that they did not know why or how they had been selected. They were also unclear about their own representation responsibilities - they were not sure whom they were supposed to be representing on the CCM. Representatives of larger constituencies often stated that they advocated for their specific organizations, or their own individual interests, rather than for the broader constituency that selected them.

In all measures of governance capacity there has been significant movement since 2005. Almost universally, CCMs have by-laws (100% vs. 52%); have written procedures for selecting the Chair and Vice-Chair ((100% vs. 39%); have rules on equal voting rights (83% vs. 40%); and have clear mechanisms for decision making (92% vs. 45%). There has been progress on the other two dimensions – defined roles vis-à-vis other coordinating bodies (69% vs. 40%) and written guidelines for ethical behavior (54% vs. 21%); however these last two measures still have not achieved the level of universality of the other governance measures. This was clearly reflected in the qualitative information gathered in the CPAs as well, where Ethical Guidelines were found to be in draft form or not yet ratified.

Following the 2005 assessment of CCMs, guidelines for CCMs were revised⁴⁷ partly to encourage more diverse representation, particularly from traditionally under-represented constituencies. In 2006, it was reported that 97% of CCMs met the revised CCM requirements⁴⁸. Study Area 2's CCM assessment shows that representation of non-government sectors (64%) and women (42%) appears to be quite similar to the 2005 Baseline. Some important groups remain under-represented:

⁴⁴ Revised Guidelines on the Purpose, Structure and Composition of Country Coordinating Mechanisms and Requirements for Grant Eligibility, 2005

⁴⁵ Garmaise, D; Aidspace Observer; 1/29/08

⁴⁶ Amendments to the CCM guidelines have been made as of the 16th Board meeting, 12-14 November 2007

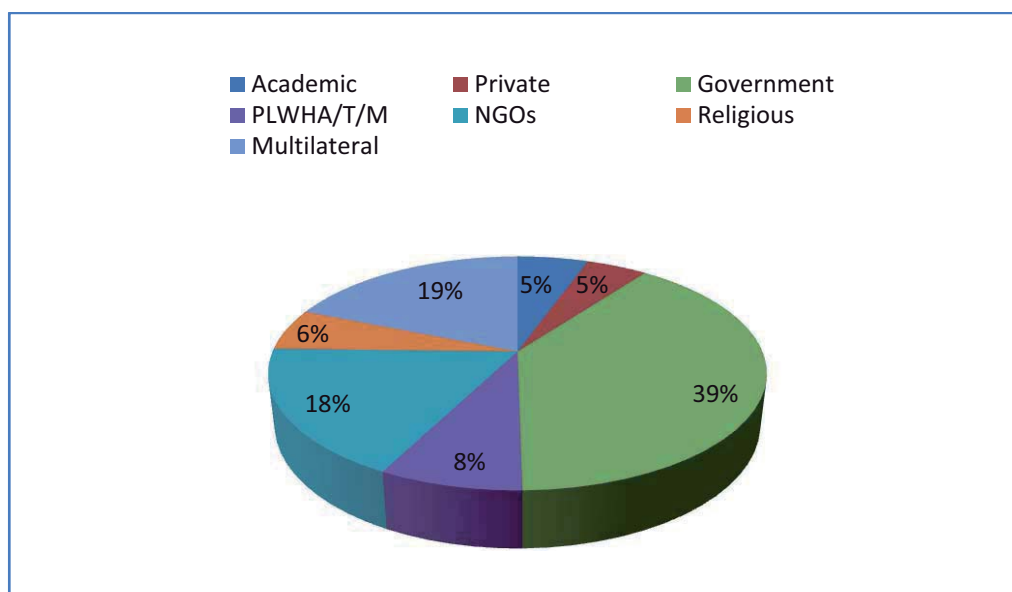
⁴⁷ Revised Guidelines on the Purpose, Structure, and Composition of Country Coordinating Mechanisms and Requirements for Grant Eligibility, The Global Fund to Fight AIDS, TB, and Malaria, incorporating CCM-related decisions of the 10th Board meeting, 21-22 April 2005; http://www.theglobalfund.org/pdf/5_pp_guidelines_ccm_4_en.pdf, last accessed 2 November 2007

⁴⁸ source: The Global Fund Secretariat, Soft Performance Indicators, October 2007

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marginalized populations; state and district level health officials and workers; and, women. Review of the CCM registers in the 16 CPA countries show that there continues to be under-representation of TB and malaria groups, in particular of affected communities, which supports the perception that CCMs are HIV/AIDS focused bodies. In the early years of the CCMs, UN and development partners were more represented than they are now; this was reported as a loss by respondents in some CPA countries; in others, it was viewed it as progress toward greater country ownership.

Figure 5: CSO Representation on CCMs in 16 SA2 Countries



Source: CCM registers

In three of the 16 CPA countries, the CCM has evolved into a country-owned coordinating body.

In Tanzania, the CCM was described as a “good model” that has supported the country to foster partnerships between government, CSOs and the private sector, leading the country to own Global Fund activities and to increase transparency, trust and accountability. It did not only coordinate the three diseases, but also broader health issues and other donors’ work.

In Peru, where most of the SRs are CSOs organized into consortia, the CCM was believed to be able to “transcend” the Global Fund and have its “own life.” The wider representation of the different sectors throughout the country was also perceived as a vector for wider political legitimacy.

In Uganda, the National Coordinating Committee (NCC), a committee set up before Round 1 for the exclusive purpose of managing GF grants has been replaced by a different coordinating mechanism, under Uganda’s Long-Term Institutional Arrangements, where GF grants are managed by two existing structures with mandates extending well beyond Global Fund grants, the Partnership Committee of the Uganda AIDS Commission for HIV/AIDS grants and the Health Policy Advisory Committee for malaria and tuberculosis.

The TNCM in Tanzania

Following the issuance of revised minimum CCM Eligibility Requirements by Global Fund in 2005, Tanzania modified its CCM and renamed the new body the Tanzania National Coordination Mechanism (TNCM) in order to improve country ownership and also to address numerous challenges posed by the number, size, and complexity of the Global Fund grants portfolio in Tanzania. The TNCM was designed to facilitate and coordinate Global Fund grants as well as other international and national funding sources that support the rapid scaling up of HIV, TB, malaria and other health programs requiring inter-sectoral planning, coordination and oversight. The TNCM includes constituencies from various sectors – the government, the development partners, civil society and the private sector – and has created opportunity to include other public health emergencies as it does not solely focus on the three diseases but on other illnesses such as Bird Flu or Rift Valley fever.

It was generally perceived that the structure and functions of the TNCM provide a good opportunity for country ownership of the global fund activities and a useful forum where different sectors come together to discuss health priority issues. Because it is not a standalone business and has a wide representation of multiple partners, the TNCM is perceived as a sustainable structure and an effective model of in-country partnership.¹

At least some civil society respondents in all 16 CPA countries identified issues related to sub-optimal CSO participation in CCMs activities and representation on the CCM. For example, many CSOs expressed concern that since most CCM meetings were held in the capital city, rural based groups were excluded due to late communications and lack of travel funds impeding access. Overall, the evaluation found that while in some countries, CSOs are quite well represented on CCMs, in others, participation is still limited. In some cases, it was found that CSOs, especially those that have traditionally been involved in service delivery only, tend to have limited competence and experience in engaging strategically at the national level and limited experience in national level advocacy.

"NGOs are well represented though International NGOs benefit more than local NGOs because they have greater credibility and more financing. Some NGOs feel symbolic presence only." (Burkina Faso)

"90% of CCM members are medical personnel who don't have a large enough vision of AIDS as a social phenomenon...we cannot stay at the level of the health sector only." (Haiti)

"Local CSOs acknowledge their weakness to have a voice." (Cambodia)

"CSOs represented within the CCM are those NGOs financed by the Global Fund." (Honduras)

"No clear transparent procedures for CSO representation." (Honduras)

"CSO Representatives not always competent to cope with demands of job." (Kenya)

"Selection procedures for CSOs not developed and disseminated." (Kyrgyzstan)

"Need clearer guidelines on roles of CSOs in the CCM." (Malawi)

"CSOs in the CCM are not adequately representing other CSOs." (Nepal)

"CSOs involved at the federal level, but not the state level." (Nigeria)

"CCM is a body only known to a few people." (Ethiopia)

"There is very little CSO involvement." (Yemen)

The CPAs found many cases where certain CCM members did not feel able to actively engage in the work of the CCM, because of political pressures, social and cultural pressures, misaligned expectations, or a lack of personal confidence stemming from the diverse constellation of social and

political persona represented on the CCM. This was especially true for sectors that had traditionally not worked with national disease control efforts, mostly non-government representatives.

The CPAs also found many cases where CCM partnerships must overcome or transform long-standing relationships between public sector and private sector, donors (governmental or multilateral) and civil society that may have been historically difficult, confrontational, and marked with mistrust. This was especially true for sectors that had traditionally not worked with national disease control efforts, such as CBOs and affected communities. It was clear that in these cases, the needs and considerations of those representative's constituencies were not reflected in the work of the CCM.

In these cases, factors preventing active engagement and participation of non-government CCM members are mostly beyond the direct influence of the Global Fund. However, inconsistent communications and lack of organizational capacity were most often cited by CPA respondents as key constraints to effective participation of all partners in the CCM, demonstrating that achievements in participation can be made by improving how effectively the CCM operates, which is an area that can be targeted for intervention.

Recurrent barriers to effective CCM participation in 16 CPA countries

- CCM meetings are called with little notice;
- Agendas are distributed at the last minute;
- CSOs are not copied on communications;
- International NGOs are prohibited from participating;
- Funding for CSOs to coordinate with their constituencies is limited;
- Policies and procedures to arbitrate partnerships are unclear or inexistent;
- Constraints for grassroots groups to travel are acute.

Additional findings related to the CCM, as they relate to its expected roles of proposal development and ongoing monitoring of Global Fund grants, are discussed in the section of this report on grant oversight capacity.

6. Partnerships with Civil Society Organizations (CSOs): from the Board to country operations

Civil society has played a fundamental role in the design and development of the Global Fund, and the Fund has advocated, since its inception in 2002, that international and local non-government organizations, faith-based organizations, affected communities, and local community groups engage and participate in all of its global and country processes to help rapidly scale up disease prevention and treatment efforts for HIV/AIDs, TB and malaria. The Framework Document calls for The Global Fund to “focus on the creation, development, and expansion of government / private/non-governmental partnerships” as well as to “strengthen the participation of communities and people, particularly those infected and directly affected by the three diseases.”⁴⁹

a. Historical Background on Civil Society and the Global Fund

⁴⁹ The Framework Document of the Global Fund accesses at <http://www.theglobalfund.org/en/files/publicdoc/Framework.uk.pdf>

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UNAIDS, the first of the UN organizations to broadly involve civil society, set the stage for civil society involvement in the Global Fund, and continues to be a leading catalyst and advocate for global action on the epidemic. Established in 1996, UNAIDS, was the first UN program to have formal civil society representation on its governing board, and promote civil society engagement in country National AIDS Commissions / Councils. UNAIDS defines civil society broadly “to include AIDS service organizations, groups of people living with HIV and AIDS, youth organizations, women’s organizations, business, trade unions, professional and scientific organizations, sports organizations, international development NGOs, and a wide spectrum of religious and faith-based organizations, both globally and at country level”.⁵⁰ In order to accelerate efforts to expand the response to the HIV/AIDS epidemic, UNAIDS established and strengthened networks in all regions of the world, including Networks for People Living with HIV/AIDS, and designated various institutions as UNAIDS Collaborating Centers, with a fixed but renewable period of 3 years, to strengthen partnerships and facilitate dialogue and networking with various actors and institutions.⁵¹ This partnership support has enabled broader representation of civil society at country, regional and global levels. For example, one continuing Collaborating Center is with the International HIV/AIDS Alliance, a global partnership of nationally-based organizations and non-governmental organizations (NGOs) working to support community action on HIV, to ensure formal, consistent and timely civil society participation in order to achieve the targets of universal access.⁵² Many CPA respondents called for more resource support for this type of knowledge management, capacity building, and networking forum among civil society.

As part of the UN Reform, and the imperative to “engage the support of the world’s people” from the UN Secretary-General, over 1,350 representatives from nongovernmental and civil society organizations organized and convened the Millennium Forum in May 2000 at the UN Headquarters. This meeting resulted in a Declaration “We the Peoples Millennium Forum Declaration and Agenda for Action”, outlining an action agenda for steps that could be taken by civil society, Governments and the UN to strengthen development cooperation from global to local levels.⁵³ Soon after, the World Health Organization instituted a Civil Society Initiative expanding its interaction and cooperation with nongovernmental organizations to an engagement with a broader set of civil society actors to better mirror the new call for “people power”.⁵⁴

The 2001 UN General Assembly Special Session (UNGASS) dedicated to HIV/AIDS, was a watershed moment in the fight against HIV/AIDS and the involvement of civil society. All 189 UN members adopted the Declaration of Commitment on HIV/AIDS with time-bound commitments to ensure a comprehensive and effective global response to HIV/AIDS grounded in respect for the rights of people living with HIV/AIDS. Article 94 committed countries to “conduct national periodic reviews involving the participation of civil society, particularly people living with HIV/AIDS, vulnerable groups and caregivers, of progress achieved in realizing these commitments; and identify problems and

⁵⁰UNAIDS home page: <http://www.unaids.org/en/Partnerships/Civil+society/default.asp> accessed on 5/20/2008

⁵¹ UNAIDS Programme Coordinating Board Sixth meeting, Geneva, May 25-27, 1998; [http://www: data.unaids.org/Governance/PCB02/pcb_06_98_05_en.pdf](http://www.data.unaids.org/Governance/PCB02/pcb_06_98_05_en.pdf) accessed on 6/09/2008

⁵² See UNAIDS Collaborating Centre Terms of Collaboration at <http://www.aidsalliance.org/sw29769.asp> accessed on 6/8/2008

⁵³ Millennium Forum Declaration, UN General Assembly 8/8/2000 accessed at <http://www.un.org/millennium/declaration.htm>

⁵⁴ Understanding civil society issues for WHO, February 2002 accessed at http://64.233.169.104/search?q=cache:FehGn-nlp_k:www.who.int/civilsociety/documents/e...formed+the+first+civil+society+initiative+2001&hl=en&ct=clnk&cd=1&gl=us&client=safari

obstacles to achieve progress and ensure wide dissemination of the results”.⁵⁵ At a special summit of the organization of African Unity in April 2001, Kofi Annan proposed the creation of a “war chest” to combat the three diseases; the concept of the Global Fund was unanimously endorsed at UNGASS by member countries emphasizing that AIDS, TB and malaria cannot be fought without the contribution and involvement of civil society; and by July 2001, the G-8 leaders pledged funding contributions. Through wide and transparent consultation efforts, The Global Fund Board has acted on civil society recommendations to continue strengthening its partnership with civil society “to reduce infections, illness and death and contribute to poverty reduction” as stated in its Framework Document.

In 1998, the WHO launched Roll Back Malaria as a Cabinet project to galvanize partnerships to reduce the morbidity and mortality of malaria. The approach primarily focused on malaria as a technical intervention involving public health technical experts, and devoted little attention to civil society.⁵⁶ On World TB Day 2000, Stop TB launched “forging new partnerships to Stop TB” to mobilize political will and encourage the involvement of civil society in the global efforts to Stop TB.⁵⁷ Neither of these partnerships embraced civil society in the same way as did UNAIDS, though both partnerships have evolved and expanded their inclusion of civil society in their governance and programming direction.

While the UNGASS Declaration moved processes forward in some countries (evidenced by the 2003 UNGASS Global Progress Report) providing a common language and tools to hold governments to account, civil society involvement remained nominally involved at the country level. In the 2006 UNGASS review, a Political Declaration called on countries to establish ambitious national targets on HIV prevention, treatment, care and support and emphasized the importance of including people living with HIV/AIDS in the target setting process.⁵⁸ This continues to be reflected in advocacy efforts in 2008 for comprehensive National AIDS strategies, particularly since many country plans still exclude key populations.⁵⁹

b. Definitions of “Civil Society”

While The Global Fund uses the UN definition of civil society, the definition of specific organizational fit and operationalization of the definition at the country level continues to be debated. In fact, the concept and definitions of civil society are debated in the world community, and are continuing to evolve. The UN defines civil society as “the association of citizens (outside their families, friends and businesses), entered into voluntarily to advance their interests, ideas and ideologies. The term does not include profit-making activity (the private sector) or governing (the public sector). Of particular relevance to the UN are mass organizations (such as organizations of peasants, women or retired people), trade unions, professional associations, social movements, indigenous peoples’

⁵⁵ UN General Assembly, Declaration of Commitment on HIV/AIDS, A/RES/5-26/2, adopted at the 26th special session, August 2, 2001. Available at <http://www.un.org/ga/aids/docs/aress262.pdf>

⁵⁶ WHO Executive Board 107th session. Progress report on Roll Back Malaria 12/1/2000 accessed as http://ftp.who.int/gb/archive/pdf_files/EB107/ee25.pdf

⁵⁷ World TB Day 2000 accessed at http://www.stoptb.org/events/world_tb_day/2000/ on 6/9/2008

⁵⁸ Article 49 in the Political Declaration on HIV/AIDS adopted by the UN General Assembly on June 2, 2006. Available at http://data.unaids.org/pub/Report/2006/20060615_HLM-PoliticalDeclaration_ARES60262_en.pdf

⁵⁹ Developed Country NGO Delegation Report of the 17th Global Fund Board Meeting, April 28-29, 2008.

organizations, religious and spiritual organizations and academic and public benefit nongovernmental organizations”.⁶⁰

The CIVICUS Civil Society Index defines civil society as “the arena, outside of the family, the state, and the market where people associate to advance common interests”.⁶¹ Civil society, a nebulous term, is defined differently by different actors and in different parts of the world. However, the CIVICUS project found general acceptance of the word “arena” in a 54 country study (between 2003 and 2006) emphasizing the important role of civil society in providing a public space –social and political -for collective citizen action. Key findings were that the type of political regime and attitudes of the government were crucial enabling or constraining conditions for civil society. While many current civil society strengthening initiatives focus solely on organizational development or institutional capacity building, this definition suggests the need for supporting and protecting civil society as a space for collective citizen deliberation and action – protecting civic freedoms, supporting an enabling environment, raising awareness of citizen rights, and promoting mechanisms for cross-sectoral dialogue and collaboration.

c. Engagement with CSOs at the Global Level

At the global level, civil society is represented through three seats on The Global Fund Board (Developed Country NGO, Developing Country NGO, and Communities Affected by the Diseases. A first-ever joint retreat of the civil society delegations was held in February 2008 in order to develop a strategic roadmap with prioritized goals and agreement on how the three delegations should work together in the future, showing the expanded capacity of civil society to work at this global level.⁶² The delegations have been strongly HIV/AIDS focused and are advocating for more equitable representation by malaria and tuberculosis constituencies.

A Civil Society Team in the Secretariat, composed of three regional focal points, has as its core objectives to institutionalize the role of civil society in The Global Fund, increase civil society involvement at country level, and support advocacy and resource mobilization efforts. However, most CPA respondents reported that they saw no visible interaction between the Secretariat and civil society, though they would welcome this communication and information sharing. In addition, The Global Fund conducts bi-annual Partnership Forums as opportunities for expanded civil society involvement. The first Global Fund Partnership Forum in 2004 led to a Board decision to make significant changes in the funding eligibility requirements of the CCM to ensure these entities would be more inclusive and transparent to civil society. The second Partnership Forum in 2006 highlighted the value added and achievements of civil society partners in Global Fund operations. Although the usefulness of these fora is called into question by a majority of Board members interviewed for this evaluation, they are well received by civil society and found to support and strengthen country-level partnerships as well as global.

Although The Global Fund has a website with very timely information, it is the listserv, “Global Fund Observer” that translates The Global Fund Board decisions and guidance into language more accessible to the civil society audience. A common sentiment, expressed at both the global and

⁶⁰ Global Fund <http://www.theglobalfund.org/en/partners/ngo/introduction> accessed on 6/8/2008

⁶¹ CIVICUS Global Survey of the State of Civil Society, Volume 2: Comparative Perspectives. Ed. VF Heinrich and L Fioramonti. 2008. Kumarian Press, Inc. CT, USA

⁶² Global Fund civil society delegations agree 2008 priorities accessed at <http://www.aidsalliance.org/sw53663.asp?usepf=true> on 6/8/2008

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country level by civil society, is that the language used by The Global Fund, with its institutional acronyms, is overly complex and difficult to understand, especially when communicated within countries.

“There is a lack of clear communication about Global Fund procedures and structures.” (Kenya)

“Roles of different Global Fund players are unclear and confusing.” (Kyrgyzstan)

“There is a lack of clear information about Global fund principles and function.” (Ethiopia)

Obstacles to greater civil society representation and voice at the global level, especially among the Developing Country and Affected Communities constituencies, has been travel support to meetings, which has recently been provided by foundation partners, and the challenge of being a volunteer with other job-related responsibilities and staying engaged with an ever increasing number of global technical issues.

d. Engagement with CSOs at the Country level

At country level, CSO partnerships with the Global Fund are developed through mandated representation in the CCM; opportunities to serve as PRs; and inclusion as Sub-Recipients for program implementation. More recently, the Board reinforced its commitment to including CSO organizations as key partners at the country level by modifying the application guidelines for Round 8 Funding to introduce the principle of “dual track financing”, which “recommends that applicants routinely include a Principal Recipient from both the Governmental and Non-Governmental sectors in each disease proposal”⁶³.

Key Finding: The Five-Year Evaluation found that the Global Fund has created effective structures for representation and participation of CSOs at the global and country levels. In fact, 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, the diversity of CSOs has made their organization challenging, adversely affecting the consultative processes of their representation and participation.

The Global Fund’s partnership model, with its focus on transparency and accountability, supports an enabling environment for citizen engagement with national plans and strategies. When asked about The Global Fund model of partnership during the CPA interviews, civil society respondents were generally very positive.

“The Global Fund has facilitated new and effective partnerships especially between civil society and government. Involvement of PLWHA is unprecedented.” (Honduras)

“Relationships and networking between CSOs and National AIDS Commission, other development partners and other NGOs have been strengthened because of Global Fund programs.” (Malawi)

“Global Fund has forced us to learn to work with other organizations to create a work team. Global fund has facilitated and fostered participation of numerous stakeholders.” (Peru)

⁶³ Guidelines for Proposals, Round 8. March 1, 2008

"The large involvement of partners in the implementation of the different programs is thought to be positive, difficult to achieve, but positive in the end. It has allowed the country to have consensus in areas where there wasn't and to be more inclusive of vulnerable groups when implementing solutions. It has opened a participation channel." (Peru)

"Up to now the grant was totally managed by the government, so we can say that it was a country-owned program. If not because of the Global Fund, the government never sits around the table with civil society, private sector, academics. So now they do this because of the Global Fund." (Yemen)

"Global Fund support has a positive and bridging effect on relationships between communities and civil society organizations." (Ethiopia)

"The civil society and government partnerships working in harmony on an equal basis is a great landmark for the Fund." (Ethiopia)

"Now there is wider acceptance of CSO/NGO roles, but some partners still believe that Global Fund money should ideally go to the government". (Kenya CPA report)

"The partnership between government and civil society has come a long way, and each perceives the other to be an important partner now" (Nepal CPA report)

Other CPA civil society respondents showed that the partnership model is positive but still evolving.

"Civil Society Organizations want to be more involved and play a bigger part..." (Kenya)

"Global Fund is still in a learning phase..." (Nepal)

"The partnership model is positively acknowledged by civil society organizations despite the general feeling that CSOs are not given large enough space for equal partnership." (Tanzania)

The opportunities presented by Global Fund to increase interaction between CSOs and government were reflected on positively by CPA respondents.

"Facilitated a new way for CSOs to interact with government; more inclusive than previously." (Haiti)

"Global fund has given CSOs and government opportunities to work closely with each other in partnership." (Nigeria)

"The Global Fund has strengthened the partnership between NGOs and government compared to other funding mechanisms." (Tanzania)

"The civil society and government partnerships working in harmony on an equal basis is a great landmark for the Fund." (Ethiopia)

"The large involvement of partners in the implementation of the different programs is thought to be positive, difficult to achieve, but positive in the end. It has allowed the country to have consensus in areas where there wasn't and to be more inclusive of vulnerable groups when implementing solutions. It has opened a participation channel." (Peru)

The CSO – government partnership though is still in an incipient form and requires nurturing. The majority of CSO respondents still thought of the Global Fund as a “government affair”, “government owned”, “government-driven”, or “Ministry of Health-led” rather than a “country owned or driven” process, yet they wanted to engage more, and across the countries, felt that the “dual financing system” would enable the CSOs and the state to each work together harmoniously according to agreed upon plans at the CCM level, but within an organizational system and environment that was a better fit to their organizational needs and competencies.

“The Global Fund promoted the non-governmental actors and provided NGOs with financial resources. The asymmetric funding allocations to NGOs created tension between NGOs and state agencies at sub-national levels.” (Kyrgyzstan CPA report)

“Civil society is very interested in participation and expects complete transparency and hopes to be partner in every single decision made by the Ministry, whereas MOH wants to retain some power – this results in tension between these two important stakeholders.” (Nepal CPA report)

A consistent finding across the CPA countries was that participants recognized how the Global Fund’s work has greatly expanded the opportunity for civil society to be involved in decision-making and the programming process for the three diseases. The mere existence of a CCM-like vehicle has provided an opening for participation that was previously non-existent, especially in countries with long histories of non-democratic traditions, entrenched discriminatory behaviors, or traditionally “opposition party” position of civil society. This transition in involvement has been a challenging process in most of the 16 CPA countries, yet remains positively perceived overall.

e. Challenges to more effective CSO participation

The important contributions of the Global Fund have not gone without obstacles, and SA2 identified a number of challenges to maximizing CSO participation in country-led processes.

While The Global Fund has made significant strides in including civil society in country level decision-making, several civil society respondents said that inclusion was limited in scope – with greater representation of larger CSOs or those with presence at the capital city level. Poor communication systems in some countries constrain wider and more timely information sharing that could promote wider involvement. Several CPAs recommended that given the multi-sectoral and social dimension of the diseases, there was an acute need to involve more vulnerable groups including women, affected communities, youth, journalists, and prostitutes in country-level planning and implementation.

The participation of diverse CSOs in national disease control planning and programming often led to multiple and divergent expectations that the Global Fund cannot easily meet. 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. Although 40% CSO representation in CCMs has been achieved or exceeded in most countries, most CSO members interviewed in the CPAs still view the CCM as “government-owned or Ministry of Health-led”. 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 processes. SA2 found that in some countries where the CCM is dominated by government or large

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international NGOs, other non-government members sometimes suspected them of not sharing Global Fund-related information in order to keep grants under their control. This was compounded by the fact that many CSO SRs had no interaction with the Global Fund Secretariat, even if they were members of the CCM, and therefore did not understand why proposals were funded or not, or how budgets were finalized, leaving space for rumors to cause discord and tensions within the CCM partnership environment.

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 had no previous connection with government outside of their own organizational mandate.

CSOs are most often organized within sub-groups (such as implementing organizations that provide HIV/AIDS Prevention and Care, DOTS, or malaria prevention and treatment; faith-based groups that provide a host of health services and care; and advocacy groups of persons affected by disease, primarily HIV/AIDS). Many of these sub-groups are locally-based, with minimal resources, and with little connection to capital city Fora where decision making meetings occur. Unless these groups are institutionalized in the form of associations or networks, there is no process in place to ensure representation and engagement; and even where networks do exist, funding remains a constraint for coordination and travel to and hosting of meetings. Where CSOs have engaged as sub-groups for representational purposes, they have been able to express an organized and legitimate voice on the CCM and consider their participation key to the principle of country ownership.

SA2 found that processes to ensure wide CSO representation varied considerably between countries, and specific observations on representation differed amongst the different civil society groups.

- In several countries where CSOs were organized into associations or networks (primarily in the HIV/AIDS community and more recently in malaria), a legitimate process for representation inclusive of a body of organizations, rather than the opinion of one organization or one vociferous advocate, led to a constructive engagement with the CCM with mechanisms in place for sharing information with the CCM and back to the broad constituency.
- Affected communities felt they had a specific advocacy agenda and viewpoint which could not be communicated as effectively by service delivery organizations, necessitating the need for their specific representation on the CCM. Many of these affected and rights based communities have a more skeptical viewpoint as to how closely they should be partnering with the government.
- Faith-based groups, especially in countries where they are vital to the health system infrastructure and have large health networks, wanted more representation in the influencing of national health plans since these plans directly affect their work.
- In countries where CSO networks and associations did not exist, there was no established transparent and documented process for election of a representative, or sharing of information, creating an environment rife with rumors rather than facts about the Global Fund's purpose and processes. The majority of CSOs partner within the Global Fund environment as Sub-Recipients

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or Sub-sub Recipients. Depending on the information flow from the PR, they may or may not have knowledge of Global Fund decisions that affect their work or level of funding; or clear means of communication to express concerns to the CCM. This lack of structured dialogue creates rumors and tension that undermine the work of the Global Fund.

- In several countries, CSOs serving as Sub-recipients are those closest to the capital city where decisions are made, creating confusion and rumors as to criteria necessary to partner with the Global Fund. Processes to enable smaller or weaker CSOs to participate through learning, networking or capacity building were most often not in place; nor were the resources to make representation even feasible.
- The use of incentive tools, such as allowing non-CCM proposal applications in countries that suppress or have not established partnerships with CSOs, were cited as important in promoting partnerships with the Global Fund.
- Networks and steering committees in malaria, often nascent in early stages of development, that included partnerships between CSOs and private sector, showed promise for bringing a deepened understanding of issues to the Country Coordinating Mechanism.
- Representation of CSOs by gender varied in the CPA countries.

These findings highlight the diversity of the civil society environment and the need for multiple mechanisms enabling diverse groups to contribute as partners to the Global Fund. Several CSOs felt that they needed to have a strong representative on the CCM in order to receive any funding from the Global Fund, since the CCM is perceived to be the main and sometimes only way to partner with the Global Fund. In countries where other technical partners have provided capacity building support to various CSO networks and associations; or where the PR felt it to be their responsibility to build social capital through CSO learning forum, more widespread CSO participation and representation occurred with regularized sharing of information, creating an environment that could focus more on quality programming issues rather than putting out fires. Finding meaningful mechanisms to support, engage and bring the civil society voice to the national planning level in all countries remains a challenge, given the diversity of civil society.

Findings from the CPAs also show that more diverse participation also requires more time for trust, consensus building and coordination within CSOs and between CSOs and government, given the different spheres of influence, skill sets and organizational experience. In addition to concerns about representation, the relationship between CSOs and government is often volatile as to the roles of each party. While governments may be looking to CSOs as “contractors” to meet their service delivery targets, CSOs may feel their strength is meeting community demands through innovative and comprehensive programming, often in preventive areas, usually not prioritized by the state. Their contribution to a broader societal vision for disease control, prevention and care is often under-valued.

A long-term organization development process is critical to the formation and nurturing of these types of civil society organizations with adequate funding to enhance CSO coordination. Since the Global Fund perceives itself as a “financing-only institution”, it will need to focus on different mechanisms to strengthen this level of representation, depending on the situation of the CSO sector

in each country. The Global Fund may choose to engage the technical expertise of its development partners to nurture this type of engagement; provide funding windows for CSO system strengthening; require that the CSO PR for dual track proposals engage in CSO support and development; and/or share working and effective models between countries.

7. *Private Sector Partnerships*

The Global Fund was founded as a financing mechanism functioning through partnership between governments, civil society, affected communities and the private sector.⁶⁴ One of its primary functions is to engage all partners to their full financing potential.⁶⁵ The Global Fund has been lauded by many parties for its significant achievements in mobilizing additional financing against the three diseases; however, there has been unanimous agreement that the Global Fund has not realized the full potential of private sector contributions to the fight against AIDS, tuberculosis and malaria.⁶⁶ A press release from 27 April 2007 reported that the Global Fund would need to triple in size to at least \$6 billion in contributions per year by 2010 to meet its projected demand. The same press release stated that the Board of the Global Fund acknowledged that such growth would “require significant additional contributions from new and existing...private sources.”⁶⁷ Therefore, fully engaging the private sector is not only important to fulfilling the Fund’s mission, but crucial to the very survival of the Fund itself.

The Five-Year Evaluation examined private sector partnerships for resource mobilization at the global level primarily through Study Area 1, and focused on private sector partnership arrangements at the Secretariat level and involvement at the country level through Study Area 2. Private sector involvement at the country level was defined 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.

Key Finding: At both the global and country levels, a consistent area of partnership weakness is with the private sector. Engagement of the corporate sector at the global level is not effective, and the Global Fund’s approach is not seen as sufficiently consultative. Although the private sector already contributes to control of the three diseases in most of the 16 CPA countries, they do not do so through Global Fund grant activities or partnerships. Private sector membership on CCMs was minimal.

a. *Private Sector engagement at the Global Level*

This evaluation found the Global Fund’s partnership with the private sector to be incipient at best. While structures for private sector representation have been created (e.g., PSD 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 leadership and management, and that of corporate leadership. The disconnect

⁶⁴ The Framework Document of the Global Fund to Fight AIDS, Tuberculosis and Malaria, Section III H 4, 6, 7

⁶⁵ The Framework Document of the Global Fund to Fight AIDS, Tuberculosis and Malaria, Section III G, H 1, 5

⁶⁶ Report of the Global Fund Partnership Forum 2006: Celebrating Successes and Overcoming Challenges, compiled by Dr. Mandeep Dhaliwal, 5

⁶⁷ “Global Fund to Seek \$6-8 billion per Year by 2010 Would Triple or Quadruple Effort to Fight AIDS, TB, Malaria” 27 April 2007 Global Fund Website – Press Releases (http://www.theglobalfund.org/en/media_center/press/)

was seen to be most pronounced regarding the perceived gap between the goals of the Global Fund's resource mobilization strategy and the ability of the private sector to respond to that call.

Private sector stakeholders and Secretariat representatives both pointed to 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, a clear and consistent communications strategy between the Secretariat and private sector leadership that would include deeper consultation with key corporate stakeholders. Currently, the Global Fund's communications approach does not effectively engage 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.

Private sector representatives also expressed that the Global Fund "dictates" to the private sector, because there is not enough consultation prior to development of resource mobilization strategies. Secretariat representatives also identified the inability of the Global Fund to track and assess the benefits of co-investment, pro-bono, and in-kind contributions from the private sector as a major impediment to advancing private sector partnership and dialogue. Most Secretariat efforts to support and promote the co-investment process have not yet met with success: an agreement with UNAIDS to provide support to co-investment projects has not been functioning, and, although there is a team of facilitators to arbitrate between the public and private sectors, in an effort to forge co-investment opportunities, co-investment at the country level is estimated at a maximum of 10-15 companies across the entire Global Fund portfolio.

b. Private sector engagement at the Country level

Private sector partnership at the country level was not considered particularly successful by CPA respondents and Secretariat representatives alike. This evaluation found that none of the 16 CPA countries had a strategy for engaging the private sector, which was reflected in the finding that CPA respondents reported virtually no successful examples of private sector resource mobilization in countries. There were more examples of private sector engagement as implementing partners: private sector companies are sub-recipients in three of the CPA countries (Tanzania, Malawi, and Uganda), and the PR for three grants in one CPA country (Haiti). 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. For example, the public-private partnership in Tanzania to get vouchers for ITNs to pregnant women and children under five using distribution through small for-profit businesses has been very successful; however, this initiative built on existing long experience pioneered by previous operations research projects to improve the delivery of ITNs by partnering with private sector distributors⁶⁸.

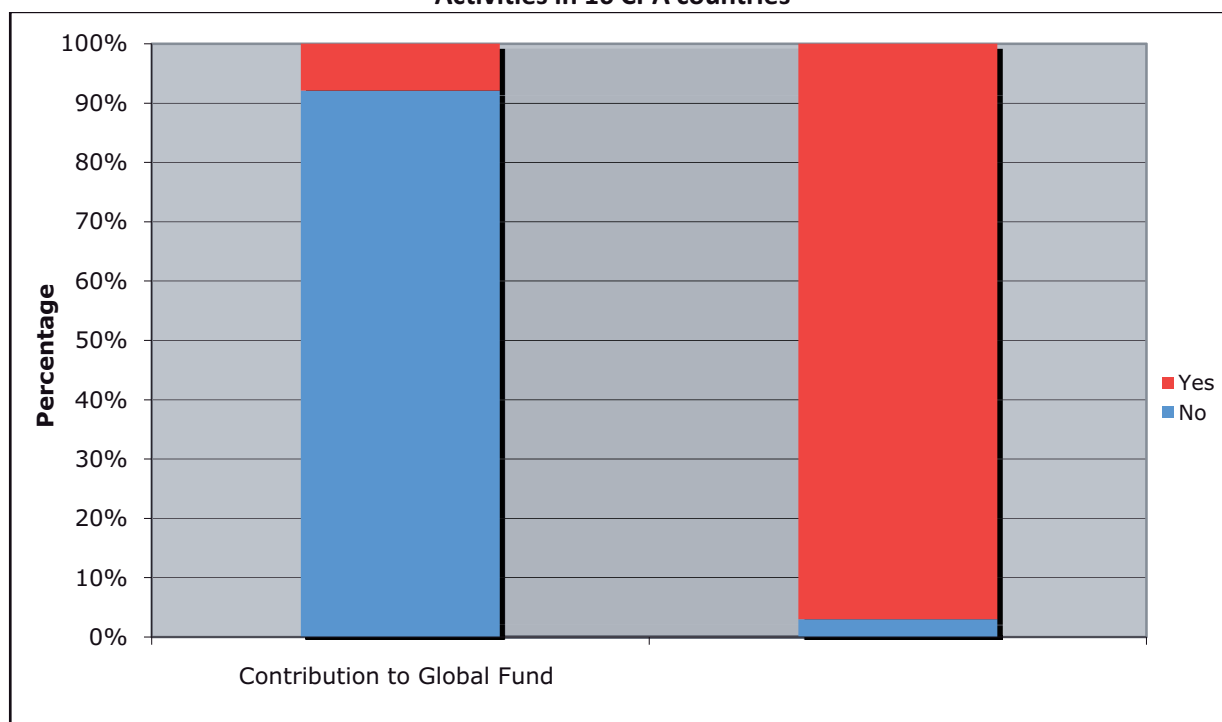
The Global Fund is missing significant opportunities for private sector engagement at the country level. This evaluation found that although private sector representatives reported in the CPAs that their companies do contribute to the fight against AIDS, tuberculosis, and malaria, they do not do so through partnership with the Global Fund (Table 5). Several private organizations also reported having their own HIV/AIDS, TB or malaria programs for their employees and/or communities they

⁶⁸ Adriana, T. et. al. 2006. Use and misuse of a discount voucher scheme as a subsidy for insecticide treated nets for malaria control in southern Tanzania. *Health Policy and Planning* 21 (1): 1-9.

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serve, though these programs are not part of (nor recognized by) the Global Fund activities in their country.

Table 6: Percent of Private Sector Respondents Reporting Contribution to HIV, TB or Malaria Activities in 16 CPA countries



Source: Questions 2102-2105, Module @A, SA2 CPAs.

This evaluation also found that 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. For example, in Yemen the private sector has mobilized impressive responses in the field of cancer treatment but is reluctant to contribute to Global Fund grants because of concern over whether their investments would be well managed by the government disease control programs serving as PRs. Furthermore, private sector respondents expressed concern over the complexity, and perceived resulting lack of transparency, of the Global Fund grant application and award processes that served as substantial deterrents to potential private sector participants at the country level.

Further complicating the co-investment process is a predominant perception, promoted by the Global Fund itself, that it is a financing mechanism only. The CPAs found that within the private sector, there was a consistent lack of awareness of the Global Fund and its objectives beyond financing, as well as its grant activities in country, which served to limit the private sector's perception of potential areas for collaboration with the Global Fund. One exception found was in Burkina Faso, where the approach demonstrated how private sector resource mobilization can complement the Global Fund's role as a financing institution.

Private sector mobilizes to fight HIV/AIDS in Burkina Faso – but not through Global Fund grants

In Burkina Faso, a comprehensive strategy to engage the private sector in the fight against HIV/AIDS has been developed with support from such global partners as UNDP and the World Bank. However, these efforts are happening almost completely separately from the implementation of Global Fund HIV/AIDS grants. In fact, the private sector strategy is intended to encourage companies to set up their own self-financed prevention and treatment programs, which is viewed as more sustainable than contributing resources to Global Fund grants. As one respondent explained, “If one bases programs on the company’s own funds this assures the sustainability of the fight against HIV/AIDS. The Global Fund is a project that could withdraw at some point.”

The strategy was prepared following Burkina Faso’s participation in the 2006 HIV/AIDS Private Sector Mobilization Forum for Francophone Africa, organized by such partners as the World Bank, WEF, UNAIDS, ILO, GTZ, GBC, CCA, and SIDA-Enterprises. Strongly informed by Burkina Faso’s multisectoral approach to HIV/AIDS prevention and treatment, the strategy recommends creating a national coalition of private sector representatives selected from coordinating committees for every sector of the economy (e.g. agriculture, banking, hotels, etc.). These structures would be responsible for designing, mobilizing resources for, and implementing HIV/AIDS programs through the private sector in both workplaces and surrounding communities. In addition to this strategy, Burkina Faso’s National AIDS Council has allocated a permanent staff member to coordinate outreach to companies, including advising them on establishing their own HIV/AIDS programs and monitoring these initiatives.

Assessing private sector engagement through CCM membership is not straightforward. Although private sector representatives presently constitute five percent of all CCM members from the 16 SA2 countries, and only two CPA countries (Cambodia and Haiti) did not have a private sector representative on the CCM, it was rare that these individuals considered themselves to represent the companies they belonged to, or the private sector as a whole. In Haiti, although the private sector is engaged as the PR for grants to support all three diseases, the CCM lacks a private sector member. Private sector participation in the CCM is documented for only 28 of the 113 countries in the Global Fund portfolio; a possible cause found by the CPAs was the general perception within the private sector that CCMs are dominated by the public sector and unwelcoming of private sector participation.

There is clearly an opportunity for private sector resource mobilization and participation that can be tapped, but the Global Fund will need to internally assess its own policies regarding what types of contributions it will accept before this opportunity can be fully realized. The Global Fund's emphasis may need to be less on channeling private sector resources to Global Fund grants and more on allowing private sector partners to finance and run their own complementary programs. In addition, it is clear that communications and consultation with the private sector, both at the global and country levels, need to be given serious strategic focus.

E. Conclusions

Diverse representation is required on the CCM to ensure the involvement of constituencies in decision-making. To maintain a dynamic and effective partnership, a wide variety of constituency perspectives are required so that resulting decisions reflect consensus and priority. As such, which

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individuals and organizations are selected to participate in the CCM is important in establishing a legitimate partnership that can potentially impact the three diseases.

As the core partnership mechanism for the Global Fund in-country, the CCM model requires not only appropriate representation, but also active participation, and ultimately active engagement, to enhance the effectiveness of Global Fund grants. In order to actively impact CCM proceedings (and thereby the effectiveness of its actions), members should not only attend meetings, but feel empowered to participate in the dialogue, discourse, and active discussion. The mere establishment of the structural elements to facilitate diverse representation and participation is a necessary, but not sufficient input to achieve functional CCMs that bring CCM members to active engagement. There is much to be done to further improve the basic functionality of CCMs. The Global Fund also needs to determine if and how it will further facilitate active participation of diverse groups, including academic institutions, CSOs, and the private sector from the Global Fund's side; equally, these groups need further organization and systematic selection processes to ensure their effective representation on the CCM.

Although discussions about the Global Fund partnership model most often focus on the structure and functioning of CCMs, they are only one of a number of partnership mechanisms that may exist within a country. While CCMs play a crucial role in coordination of proposal development and submission, other mechanisms may be more important for implementation and monitoring of performance. Within the Global Fund model, room for country-context specific alternatives to CCMs as primary mechanisms for partnership needs to be created.

While the Global Fund has been able to catalyze partnerships between civil society and government around the three diseases that did not previously exist, and increase wide participation of diverse actors through its Country Coordinating Mechanisms, the full potential of this vision of partnership has not yet been realized. Since issuing guidance on CCM composition and minimal requirements (April 1, 2005), the Global Fund has struggled to provide more detailed guidance and criteria in each round to verify consultative processes on CSO representation, and democratic and transparent management and governance procedures. Yet, these procedures are understood and acted upon differently in different countries. This type of micro-management of CCM composition has created discord both within some government constituencies and within various CSO constituencies. Some governments feel it is not their responsibility to organize the CSO sector and remarked that CSO discord compromises the principle of country ownership. Some CSO constituencies are not well-organized as a group, especially at a national level, nor do they have resources and capacity to ensure group representation and full engagement of their sector or linkage with other CSO groups.

The GF Board recently mandated support to approved national health strategies. GF success in shifting its portfolio to the much larger scales of financing support and the expanded partnerships that this will require will determine in large measure the future effectiveness of the GF. Such a change in funding strategy will produce dramatic changes in the size and composition of its portfolio, as well as to the nature and components of its partnership model, including careful consideration of the ramifications of the newly implemented "dual-track financing" on country-level partnerships, coordination, and transaction costs.

The current combination of one-size-fits-all at country-level, and mainly undifferentiated arrangements at the global level, must now undergo fundamental rethinking and adjustments

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(radical transformation) if the GF is to scale up to the levels now envisaged. The GF is aware of these requirements and is currently undertaking a basic structural realignment to establish a new responsibility centre (i.e., the Partnership Cluster) within the Secretariat that is to be assigned these tasks.

In short, a number of fissures have developed in the partnership system as the myriad actors involved in this model have interpreted and operationalized the guiding principles set forth by the Global Fund's founders. The areas in which these fissures are most pronounced, as identified by the Five-Year Evaluation, and which require attention from various actors in the partnership system, relate specifically to the areas of grant oversight and management at the country level, technical assistance, health systems strengthening, and have been discussed in detail in previous sections of the report. While all of these areas may be viewed as technical in nature, they need also to be placed in and addressed as inherently political matters involving the place of the Global Fund in the global architecture.

V. Grant Oversight Capacity

A. Introduction

The Global Fund's country-driven model has gone further than traditional development models in clearly placing the responsibility for performance, and requirements for management capacity for performance, in the hands of country implementers. This model also places new focus on the need for effective and efficient partnerships to manage and monitor grant performance, in order to maximize disease impact. This country-driven, partnership-dependent approach offers a promising path to sustainable efforts to address the three diseases.

"There has been a complete paradigm shift in development around the three diseases because of the size of the funding now available to implement health programs, which has been made possible through the Global Fund. A related major shift has been that the Global Fund model has put it within the country's ability to manage the funds and implement the programs—this has led to a new way of doing business. This is the first time we can really talk about going to scale, especially for malaria and TB, due to the resources that are now available through the Global Fund."

—Source: Interview notes with Global Partner

In order to monitor progress in fighting the diseases and performance of grants, the Global Fund relies on a combination of systems and structures to oversee its investments. The "financing only" principle places limits on how far the Global Fund will venture into direct oversight of grant performance and management support for implementation. However, the central piece of its operational model is essentially a grant oversight mechanism, i.e., the performance-based funding (PBF) system. Much of the evidence from this evaluation points to the management benefits and health systems contributions made through the Global Fund's commitment to PBF, suggesting that it is an important part of the model to maintain. PBF, however, requires greater oversight than anything a financing-only institution would need. If the Global Fund is to continue with PBF, and continue not to have any country presence, then it needs systems and investments to ensure that oversight capacity at the country level is adequate. These oversight systems and investments will, in turn, rely heavily on partners at the country level in order to function effectively and efficiently. Without adequate grant oversight and management capacity in place, and sufficiently operationalized through partnerships, the Global Fund risks, at best, misuse of funds, and at worst, loss of opportunity to achieve impact on the three diseases.

Currently, the Global Fund's principal mechanisms for grant oversight are: the PBF model at the Secretariat level and CCMs and LFAs at the country level⁶⁹. Study Area 2 of the Five-Year Evaluation assessed the panoply of elements in the Global Fund partnership environment that contribute to current grant oversight and management practices and barriers at the Secretariat and country levels. Some of these issues are discussed in detail in other sections of this report⁷⁰. The focus of this section is on key findings, conclusions and recommendations regarding oversight capacity related

⁶⁹ As a focused study of LFAs had just been completed, Study Area 2 did not assess LFA roles in grant oversight, aside from their role as partners in procurement, but instead focused on the partnerships needed for PBF and CCMs to function as appropriate oversight systems and structures.

⁷⁰ Determinants of Grant Performance, Technical Assistance, International Architecture

to: Global Fund roles, including PBF and EARs; the roles of the CCM and PR; and, the oversight and management systems of the primary grant implementers, the sub-recipients (SRs).

B. Summary of Findings: Grant Oversight Capacity

The Five-Year Evaluation found that grant oversight capacity at both the country and Secretariat level has been evolving rapidly, in line with experiences gathered over five years of financing and implementation. The Global Fund is challenged in the area of grant oversight by the inherent tensions in its model, between the principle of being a “financing-only” institution, which would require little oversight capacity; the principle of performance-based funding, which requires substantial oversight capacity; the principle of country ownership; and its dependency on partnerships for effective grant implementation. Once these tensions are clearly recognized and resolved by Global Fund leadership, the path to ensuring adequate and appropriate oversight capacity at both the country and Secretariat levels will be much clearer.

In country, this evaluation found the roles of key actors 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 through Global Fund strategies and policies, as well as a lack of commitment on the part of some country-level partners.

This 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 very rarely met. PRs were often constrained in their capacity to manage numerous and diverse SRs and SSRs, tempering the expectation that they could provide adequate oversight of on-the-ground implementers. Without targeted investment in their capacities, CCMs and PRs will not be able to take on the roles in grant oversight that the Global Fund currently expects of them.

In-country capacity to implement and manage grants is a strong pre-cursor to country ownership (e.g, insert definition of country ownerships here). The Global Fund, in its first five years, has begun to create the conditions under which true country ownership can occur, but is presently at a crossroads in terms of how its principles have been defined, understood, and operationalized. Given its lack of official country presence and reliance on partnerships to ensure effective implementation at the country level, further progress will depend on a clear communications strategy that would contribute to a greater shared understanding of the overall Global Fund model, and the roles of different partners in the country architecture, and would reach the lowest levels of implementation, including SRs and SSRs.

To the extent that the Global Fund board assigns priority to operational protocols that emphasize country ownership, it must also be clear that the risk margins of operations increase. The fundamental problem is that the risk management parameters of the Global Fund are unclear; the Board’s decisions indicate that the objective is somehow country ownership and no risk. The time

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for an honest and informed discussion leading to an informed risk assessment and management framework consistent with the larger goal of country ownership is long overdue.

The Global Fund's main instrument for grant management and funds oversight is the PBF system. This evaluation found that in many respects the Global Fund's model of PBF is a work in progress. While most countries have had previous experience with some form of PBF, the comprehensiveness and stringency of the Global Fund's approach is still something the majority of implementers are becoming accustomed to. The Fund itself has learned much from the application of the model over the past five years, has made several important adjustments; others are envisaged. This continuous learning is noteworthy, given the inherent complexity of performance monitoring and assessments in complex environments. The findings of this evaluation reinforce the need for further changes and adjustments in policies and implementation of the PBF model, if it is to provide the Global Fund with the information it needs for effective oversight of grant funds.

This evaluation found that the Secretariat's internal monitoring systems, although evolving and developing rapidly, also need strengthening, both in terms of data quality and focus. This includes the grant management information systems, monitoring of soft performance indicators, and EARS. Current systems are often segmented and in many cases do not provide the Secretariat with the full range of information, in a form conducive to management decision-making, that is necessary for appropriate oversight of both grant and grant management team performance. This evaluation is aware that the Secretariat recognizes and is addressing several of the key issues identified.

By design, the Global Fund has limited visibility into grant implementation and financial management practices of SRs, and this poses an increasing risk to the Global Fund. For example, this evaluation found a significant volume of procurement executed by SRs, but a lack of direct Global Fund assessment of SR PSM capacity, or of explicit standards for PRs about how to assess SR PSM capacity. This means that significant amounts of health commodities are being procured, stored, and distributed using Global Fund finances, but under inconsistently monitored conditions. This represents not only a risk to effective grant implementation, but also a barrier to the Global Fund's tracking of how its resources are spent. The limited oversight of SR PSM practices also precludes identification of training needs or potential efficiency gains through pooled procurement.

Although the main locus of grant implementation at country level is now solidly at the level of sub-recipients, Global Fund grant oversight mechanisms at the country and Secretariat levels do not include adequately, usually not at all, the practices of sub-recipients. Neither do these mechanisms, in many instances found by this evaluation, have the capacities and capabilities required to furnish adequate oversight of the SR level. This raises serious issues of reporting accuracy, measurement and evaluation of outputs and outcomes, and of accountability. However, this evaluation did identify best practices of PR management of SRs that could be promoted by the Secretariat.

The challenges faced by grant recipients and implementers regarding effective grant management and oversight result from a combination of unclear policies for assigning roles and responsibilities, partially operationalized policies regarding alignment, and lack of sufficient capacity and expertise at the country level. Many of these challenges could be efficiently addressed if the Global Fund were to act on the policy approved in April 2007 to move away from funding single grants and move toward funding national strategies. This would also resolve many of the tensions regarding locus of coordination for technical aspects of disease control, which many countries experience when trying

to combine the three diseases, for which there is little epidemiological or programmatic basis. This is reinforced by the finding that countries with one unique PR for all grants demonstrate best practice examples for SR management and oversight, and improved mobilization of technical support to grants, and that several countries have developed sub-CCMs specific to each disease. A rapid move to funding national strategies would relieve much of the transition tensions that the Global Fund model is facing. Where the Global Fund would continue to innovate would be in terms of country ownership and performance-based funding, which have emerged as two of the stronger achievements in its first five years of operations.

C. Recommendations: Grant Oversight Capacity

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
9. In the lead-up to funding national strategies, it is recommended that ***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.*** This will require, among other things:
 - 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.

10. It is recommended that ***the Secretariat systematically identify and address additional requirements for achieving adequate oversight at the sub-recipient (SR) level***, 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:
- 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
11. It is recommended that ***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***. 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:
- a. *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.
 - b. *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.
 - c. *At the Board level*, consider policy changes that would allow outcome achievement to directly enter decisions for continued financing. 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. *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.
 - e. *At the country level*, ensure that PRs only require essential data from SRs.
 - f. *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.
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.

D. Summary of Evidence: Grant oversight capacity

1. *Global Fund roles in grant oversight*

PBF remains the principal component of the Fund's grant oversight and evaluation system. Although PBF includes performance measurement against agreed targets, it is best viewed as a monitoring and evaluation (M&E) system, as its primary purpose is to generate data for programmatically important decisions, like continued disbursements (Periodic Updates and Disbursement Requests [PUDRs]) and continued overall funding of grants (Phase 2 processes). The Global Fund itself has said of its PBF system that there should be:⁷¹

⁷¹ Policy to Continue Grant Funding beyond the Initially Committed Two Years (Phase 2 Grant Renewals). Seventh Board Meeting. 18-19 March 2004. GF/B7/8.

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- Full clarity about the GF's performance criteria for actual results achieved as compared to targets
- Appropriate targets for grant performance with baselines included in Grant Agreements
- Reporting on actual results as compared to targets prior to the Phase 2 decision
- Adequate data quality assurance

The Global Fund's stated criteria are also used as benchmarks for the utility and validity of PBF data for decision-making that are covered in UNAIDS and Stop TB documents about M&E systems^{72, 73}.

Key Finding: As the Global Fund's principal grant oversight and financial management tool, the PBF system is not yet producing the types and quality of information needed to be effective. This evaluation found that information on outcomes, service quality, gender and vulnerable group equity, and target adjustment to be missing. Data quality from the countries and within the Secretariat was also found to be of concern. The Secretariat recognizes many of these issues, and has responded to some (i.e., data quality at the country level, documentation of contextual factors), but much remains to be done.

a. Output and outcomes monitoring

In practice, the Global Fund's PBF model has evolved into a complex system that focuses primarily on output level indicators. It is not currently functioning in line with the Global Fund's original vision of an outcome-focused performance assessment model. While the Global Fund has made consistent efforts to improve the system, these efforts have had the unintended consequence of making the system more confusing at the level of implementation, and have led to inconsistent application of the model as originally intended.

The CPA teams found significant reliance in countries on data such as numbers of people trained, numbers of materials produced, numbers of supervisory visits conducted, to demonstrate performance, that is far removed from the outcome-level data originally anticipated in the PBF model. CPA respondents often attributed the heavy focus on quantitative activity outputs to the pressures to show short-term results that were required to get Phase 2 funding. SA2 reviewed grant agreements and M&E plans of the 93 grants in the 16 CPA countries; although 90% included impact indicators, there was little information on impact measurement plans or results.

⁷² <http://www.cpc.unc.edu/measure/publications/unaids-00.17e/system.html>.

⁷³ Page 2, Stop TB Partnership (2004), Compendium of Indicators for Monitoring and Evaluating National Tuberculosis Programs (WHO/NTM/TB/2004.344).

Many [respondents] felt that PBF focuses on quantitative process targets and indicators, and not quality of services. Cambodia CPA report

[PBF] indicators emphasize process rather than impact. Haiti CPA report

Being completely out-oriented has reduced the Global Fund program to deliverables rather than sustained delivery. Nigeria

The Global Fund reporting format is shallow in content. It is felt that the current information required by the Global Fund is too quantitative and not robust enough, it should include qualitative indicators. Tanzania CPA report

There is also a lack of synchronization between the Phase 2 assessment timing and the timing of outcome and impact measurement that reinforces the focus on output. Outcomes and impact are first measured after the third year of implementation; while this may make sense programmatically or epidemiologically, this essentially sidelines outcome and impact data from the critical Phase 2 assessment to continue funding, sending the message that the Global Fund's decision to continue funding depends on achievement of quantitative activity outputs.

b. Service quality and equity

Monitoring of service quality and gender and income equity was identified as a major gap by this evaluation. Although the Global Fund clearly articulates the principle that grants should improve service quality, improve gender equity, and target vulnerable groups, performance monitoring is not explicitly linked to any of these principles. A review of 93 CPA country grant proposals showed that monitoring of service quality is a particular gap: although 44% and 55% of grants had gender and vulnerable group indicators, respectively, only 5% had any indicators for service quality (Table 7).

Table 7: Analysis of Indicators for Quality, Gender, and Vulnerable Groups 16 CPA Countries

N = 93	All Indicators	Service Quality Indicators	Gender Indicators	Vulnerable Groups Indicators
# indicators in all grants	1430	9	92	129
Average # indicators per grant	15.4	0.1	1.0	1.4
% of all indicators per grant	100%	1%	6%	9%
% grants in CPA countries with <u>≥1</u> relevant indicator		5%	44%	55%

Source: Global Fund grant proposals

This review shows that the majority of proposals are approved for funding without inclusion of even a single service quality indicator. A subsequent review of conditions precedent (CPs) did not reveal

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that any CPs assigned during grant negotiation required service quality to be addressed by the grant. In the view of the study team, the lack of CPs regarding monitoring of service quality minimizes that likelihood that service quality indicators were subsequently included in grant agreements.

The lack of service quality indicators included in grant proposals can be linked to the Global Fund's M&E Toolkit, which is the main guide for selecting and measuring indicators. In the M&E Toolkit, none of the top ten indicators for routine reporting address issues of service quality, gender equity or targeting of the poor; neither do any of the top ten indicators for medium-term outcome and impact. Of 39 output indicators listed as options for HIV/AIDS grants, only two address any aspect of service quality, and not explicitly. Across the three diseases, gender-disaggregated targets are listed as options only under TB impact indicators. Vulnerable groups (e.g., orphans, IDUs, pregnant women) are typically defined in terms of vulnerability to the disease, as a target group, but not in terms of general social or economic marginalization. For example, targeting of the poor is not mentioned in the M&E Toolkit, even as a gap-filling strategy.

As SA2's review of grant proposals showed that the majority of indicators were derived from the M&E Toolkit, this document is clearly an important tool for proposal development. However, by not presenting options for monitoring service quality or equity in this important guidance document, the Global Fund does not send a message to grant implementers that they need to strive for and measure improvements in service quality, gender equity, or targeting of vulnerable groups. A follow-on consequence is that service quality and gender do not enter into performance assessments or decisions for funding continuation; grant implementers are not held accountable for these aspects of service delivery. This was reinforced by CPA respondents, many of whom stated that the quality aspect is missing from Global Fund grants.

This evaluation found that CPA respondents repeatedly and consistently stated that trade-offs were being made between quality of service provision and reaching quantitative output targets. Implementers in more than half the CPA countries reported that at least on one occasion, they had sacrificed quality of implementation in order to achieve a numerical PBF output target. Table 8 shows quotes generated from a coded examination of CPA interview data that most strongly illustrate this finding.

Table 8: Quality-quantity trade-offs expressed by grant implementers in 9 CPA countries

CPA Country	Illustrative quotes on perceived sacrifice of quality to attain quantifiable output targets
HAITI	<ul style="list-style-type: none"> The indicators to which we are held emphasize process rather than impact. Over time the PR has improved its indicators; but we still are judged on measures that have little to do with our main work. For example, we are held responsible for the number of schools receiving IEC [information, education, and communication] messages rather than their emphasis on detection and treatment of [disease].
HONDURAS	<ul style="list-style-type: none"> I do not know the quality of the services offered by some SRs I have had contact with. The M&E plan might say something like “20,000 to 30,000 of [group at high risk for HIV infection] reached” or “10,000 gay men.” But these numbers are often unrealistic. In order to reach this number of people, there might just be a series of group talks or informal chats. Without doing one-on-one, face-to-face interventions or something else of sufficient quality then one should not expect behavior change to occur. An SR with the GF funds that I know about was falling behind in the number of VCT services that it was doing, so instead of following MOH norms and what is universally known to be good practice, they started doing group VCT sessions. Why? Because they could show that they were “reaching a lot of people” with their services... But where is the quality? Where is the possibility of behavior change? Actually, where is the necessary confidentiality when you are going someplace and doing massive pre-test counseling and then rapid tests right there? Even if the results are not given on the spot, it will be difficult to maintain confidentiality when doing testing in such a crowded environment. And then we are more worried about accounting for the funds, and we race to implement. This I believe is a weakness. Sometimes to make a percentage target we might have to commit the team to do some activities that are more “activism” and that we know are not going to have the impact that we desire. It’s a two-edged sword: It’s good because it “gives us results,” but the pressure makes us invest time in those things that are urgent rather than those that are important, so to speak.
KENYA	<ul style="list-style-type: none"> Money comes in very late so that it has to be spent quickly (e.g., in 6 months instead of 12 months). So countries end up doing things in a hurry, and this affects performance. Other donors have country based staff so it is possible to negotiate with them.
KYRGYZSTAN	<ul style="list-style-type: none"> However, when the Fund-supported projects are extremely driven by the desire to meet the targets that are quantitative predominantly, the quality is overlooked very often.
MALAWI	<ul style="list-style-type: none"> We have been at meetings where some community-based organisations (CBOs) report that they are providing home-based care (HBC) to a lot of patients, ranging from 2,000 to 4,000 patients. Their small human capacity does not match such a number of patients. We [an experienced CSO] provide HBC to an average of 150 patients per month. These CBOs may be reporting such big numbers just because they want to be seen to be performing.
NEPAL	<ul style="list-style-type: none"> Due to rigid follow-up of the targets, the program tries to achieve them by all means. In the quest of chasing targets, the quality of services has suffered a lot. Now the program people are least concerned about the quality, but they have great concern to achieve what is expected from them. We feel that in the GF model, the quality aspect is missing day by day.
NIGERIA	<ul style="list-style-type: none"> But being completely and utterly output oriented, this has reduced the GF program to deliverables rather than sustained delivery.
PERU	<ul style="list-style-type: none"> Running to obtain the desired goals is not a good thing to do, because the consequences are going to be paid by the beneficiaries. We prefer that the quality of the services not be harmed. It is better to have no service than poorly delivered services. Since the evaluation is based on reaching the goals and not so much on how the goals

CPA Country	Illustrative quotes on perceived sacrifice of quality to attain quantifiable output targets
	were reached, once there is a delay, if a group runs to reach that goal, the quality of the work is probably going to be lower. So there is the thought that GF should be flexible in its evaluations and take into account the context of the project that may have caused unavoidable delays (e.g., strikes) and the quality of the work done. It would be better to do things as planned and have a delay than hurry up and have lower quality, thus a weaker impact in the long run.
UGANDA	<ul style="list-style-type: none"> GF says strong M&E is needed; however output and processes are left with the technical ministries. GF is interested in performance outputs, how many trained, how many treated. But focus needs to be on transmission, survival time. With the Fund, all indicators are treated as equal. There is no recognition that some indicators are much more crucial. The implementation time was so short. It created more problems because of the hurry to give reports to PMU. The beneficiaries were not reached and impact not felt. Why was so little time given for interventions to be done and to have impact? These problems have been here with us and impact requires time. What miracles are expected?

The qualitative data presented in the table above are opinions, but based solidly on implementer's actual experience with the Global Fund's PBF model. Taken together, they strongly indicate that there may be an unintended negative effect of the PBF model regarding service quality. The conditions are conducive: as service quality is typically not monitored as part of PUDRs, implementers are at minimal risk of being penalized for sacrificing quality, and may actually be rewarded, if they over-achieve their output targets. However, as the PBF system does not include service quality indicators, SA2 was unable to further verify the issue using available secondary data. Study Area 3 of the Five-Year Evaluation will conduct district facility-based service quality assessments to collect primary data from eight countries that may provide more in-depth evidence on whether the current practice regarding the Global Fund's PBF model creates unintended negative consequences for service delivery quality.

c. Target adjustment

This evaluation found grant implementers in the 16 CPA countries frequently reported changing their targets after grants had been signed, in particular among HIV/AIDS grant implementers. These findings support prior Secretariat findings pointing to a high frequency of such changes⁷⁴. This is fully in line with Global Fund policies, which allow the FPM and PRs to negotiate the revision of targets after grant signing, and demonstrates the flexibility and country-led commitment of the Global Fund's PBF model.

SA2 wished to confirm that this policy of flexibility is a positive support of country ownership, and does not have unintended negative consequences regarding the extent and magnitude of the target changes. Global Fund policy requires that any request to change targets more than 25% or 30% (this threshold has changed over time) be reviewed by the TRP. However, this evaluation could not confidently identify the magnitude of target changes, as target changes are not noted in PUDRs, and documentation on TRP review of change requests are not linked to principal grant management documents. This segmentation of databases critical for grant management and oversight presents a transparency and monitoring problem for the Secretariat.

⁷⁴ "Evaluation of Grant Delivery Targets in Comparison to Country Needs", A report to the TERG, February 2006.

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In addition, the policy of requiring TRP review potentially increases their burden of work. SA2 estimates that, based on self-reporting, 90% of HIV/AIDS grants implementers, 70% of malaria, and 10% of TB implementers in the 16 CPA countries changed their targets. If only 10% of these requested changes of more than 25%, the TRP would have been required to review potentially 10 M&E plans just for those 16 countries. As data on the frequency and prevalence of target changing were not available, it is not possible to fully estimate the additional burden on the TRP, but it is clear that the current policy creates this potential.

These target setting issues are not unique to Global Fund. A consistent finding in evaluations of development projects and programs is that targets are very often set unrealistically high. This was a main finding of one of the first major, independent reviews of the World Bank's portfolio⁷⁵. Similar findings persist today across different sectors, including education⁷⁶ and health⁷⁷. The rush to develop proposals for projects is associated with the setting of unrealistic targets, as found by the CPAs, where implementers (PRs/SRs) across many countries said that targets were often adjusted because they had initially been set unrealistically high. However, in the case of the Global Fund, where targets are critical components of performance decisions, target setting and adjustment can distort the incentives that the PBF model presents to grant recipients.

This evaluation identified that the ability to adjust targets after grant signing may create two types of unintended negative incentives. First, countries may set unrealistically high targets at the time of proposal development in order to present themselves as more competitive. They then count on being able to adjust these targets downwards after grant signing. Second, countries may decide to set very low targets in the proposal, in order to ensure regular disbursements. While regular disbursements may improve grant performance and therefore contribute to exceeding targets, if targets are consistently underestimated at the time of grant signing or systematically downgraded after signing, the strategy of rewarding countries that "regularly exceed targets" as a positive incentive becomes problematic, given the context of flexibility regarding target adjustments. This is something that the Global Fund must guard against by ensuring that the PBF system integrates the types of information that will allow monitoring of "appropriate" target setting, based on current and quality data.

d. Data quality

In each CPA country, a variety of concerns were expressed about weaknesses in the PBF model that affected the design and implementation of M&E systems. Data quality was foremost among these, including the availability of quality baseline data. In Kenya, frequent reference was made to data quality assurance systems being used in Zimbabwe that "made sure they did not have fake data" and were seen as needed in Kenya. In Kyrgyzstan, there was concern that very few performance data quality audits had been done.

The Five Year Evaluation found positive evidence that baseline data availability with regard to grants has been improving since the first grants were approved. Baseline estimates now exist for the majority of indicators (more than 70%)⁷⁸ across all three diseases. However, data quality is still a

⁷⁵ Hirschman, Albert O., *Development Projects Observed*, Brookings 1967.

⁷⁶ Keith M Lewin, *International and National targets: Help or Hindrance?* International Journal of Educational Development Volume 25, Issue 4, July 2005, Pages 408-422

⁷⁷ Bate, Roger, *Unchecked idealism*, Health Policy Outlook, AEI Online, May 11, 2007.

⁷⁸ Source: Global Fund Secretariat, October 2007, soft performance indicators.

serious issue that could have an effect on the validity and credibility of grant performance assessment. The problem with baseline data availability and quality was also identified by the assessment of the Global Fund proposal development process in early 2006.⁷⁹

The Secretariat has identified this issue, and developed the Data Quality Audit (DQA) tool that will be implemented in a sample of countries in 2008. However, this evaluation found that implementers in almost all CPA countries reported confirmed that they changed targets after grant signing because they were initially set unrealistically high, often because baseline data were gathered hastily or not at all, and therefore, initial planning assumptions had been found not to reflect the true situation in the country. Poor quality of baseline data appears to be a pervasive problem for Global Fund grants, and may not be adequately addressed with only the DQA tool approach.

This presents the Global Fund with a difficult situation. In many countries reliable statistics simply do not exist and the collection and verification of statistics almost always depends on established institutional capabilities which are absent in many countries. Thus, adjustment of targets as better information becomes available and as institutional capacity building increases is understandable and may even be an example of good practice and improvements in data quality. On the other hand, the widespread nature of the practice as found in the CPA countries does raise concern, given that performance is judged on the meeting of agreed-upon targets that are based on poor quality information. It is in the central interest of the Global Fund to ensure, and rapidly, that targets are based on accurate information, whether it invests directly in systems or in partnerships to ensure that quality baseline data are available.

This evaluation also found that data from internal Secretariat monitoring systems were often unclear, segmented, or inconsistent with findings from alternative sources of data. For example, the SA2 team explored data on the timeliness and completion of reports⁸⁰ which the Secretariat have been collecting as part of their monitoring of key performance indicators. This review revealed that no results were reported for any year on the indicator related to the percent of grants with complete progress and financial data published in grant performance reports at time of disbursement. The evaluation team attempted to assess, through review of the PUDRs for the 93 grants in the 16 CPA countries, reporting timeliness, but found that the basic data (i.e., dates of grant report submission and posting) were not available. Additionally, the lack of clearly spelled out benchmarks (e.g., denominators and time frames) and the “double-barreled” nature of some of the soft performance indicators (e.g., “produced and available”; “progress and financial data, complete and published”) limit their usefulness.

In trying to estimate the extent and magnitude of target adjustment, SA2 found that target changes are not documented in the PUDRs, and that previous versions of grant agreements are not available for review. Documentation on TRP review of target adjustments after grant signature, is maintained separately from grant management information, although it is a process that FPMs are centrally involved with, and carries with it consequences for grant performance assessment. The usefulness and power of grant management information systems in the Secretariat are compromised if all essential data are not integrated.

⁷⁹ Assessment of the Proposal Development and Review Process of the Global Fund to Fight AIDS, TB, and Malaria: Assessment Report, Euro Health Group, February 2006; HQ-GVA-05-010.

⁸⁰ The Global Fund Secretariat, Soft Performance Indicators, October 2007.

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Although performance assessments and assigned grant scores are seemingly objective, analyses conducted by this evaluation show that contextual factors actually play a more important role in predicting grant performance than objective indicator achievement⁸¹. However, contextual factors remain largely undocumented in the PUDRs or grant score cards. The Secretariat is currently undertaking to address the systematic inclusion of contextual factors in grant performance assessment.

An assessment of the role of EARS in flagging early grant implementation bottlenecks turned up two contradictory findings⁸². This evaluation, through CPAs and interviews with providers of technical assistance, found that EARS was not functioning and had not played a role in mobilizing technical support. In stark contrast, the Secretariat reports that the EARS system is functioning well. Through its monitoring of soft performance indicators, Global Fund Secretariat statistics indicate that, in 2006,⁸³ 26 percent of grants were identified as underperforming by EARS. Of those grants, about half of grants underperforming at Phase 2 were reported as being identified previously by EARS, and an additional 56 percent of underperforming grants reported as identified by EARS prior to Phase 2 had been addressed “successfully.” The Five-Year Evaluation did not find evidence of any partners outside of the Secretariat, either at global or country-level, who were aware that EARS had played any such roles in identifying or addressing underperforming grants. There is some ambiguity as to how the soft performance indicators have been defined and measured; it may be that the soft performance indicators have been defined or measured so they do not capture accurate information.

Whatever the case, this evaluation found that the Global Fund’s internal soft performance indicator monitoring system does not currently provide accurate, timely, or useable information that can help improve the Global Fund’s organizational performance.

The Global Fund urgently needs a PBF system that generates more robust grant performance information, as credible and transparent data are critical for enhancing and initiating partnerships through the demonstration of results. Strengthening current systems, as well as policy decisions regarding the availability of key grant management and performance data, should be an immediate primary focus for the Secretariat.

e. Global Fund policies and guidelines

Key Finding: The Five-Year Evaluation found that in many instances, the abundance of GF policies and procedures related to the roles of different actors in-country has resulted in gaps and inconsistencies, and has sometimes served as barriers to building capacity for grant oversight and management.

Study Area 2 reviewed Board decisions from 2004 to 2007 (BM7 to BM15) and 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 has been revised on an almost continuous basis over this period. An additional 18 decisions were made regarding country application of PBF principles

⁸¹ Analysis and detailed discussion presented in “Determinants of Grant Performance” in this report

⁸² Analysis and detailed discussion presented in “Technical Assistance” in this report

⁸³ The Global Fund Secretariat, Soft Performance Indicators, October 2007; Annex 1.7A from SA1 report

and CCM operations, implying that implementers from 2004 experienced about five changes per year regarding PBF and CCMs.

While this clearly shows a commitment to the principles of learning and flexibility, it also clearly shows a root cause of country-level inconsistencies in policy application. A review of previous studies on the Global Fund model, combined with the findings from interviews with implementing partners in the 16 CPA countries and with global stakeholders, clearly showed that the country-level interpretation and operationalization of the Global Fund's policies and procedures for grant oversight and management varies widely across countries and partners.

- Although it was recognized that the GF had clear-cut processes regarding proposal development, allowing the country to determine its priorities with respect to the three diseases, there were inconsistent views about how these processes were to be operationalized at the country level, particularly regarding grant management and oversight roles.
- In some countries, the role of the Principal Recipient (PR) was felt to have been imposed by the Global Fund, especially in those countries where the Secretariat recommended, in Round 2, the selection of specific organizations as PRs. Despite the relative rarity of Secretariat involvement in PR selection, and the significant time elapsed, this evaluation found a persistent belief in these countries that programs are, in reality, directed by the Global Fund, and that the Secretariat imposes its views without sufficient justification. This points to the care that needs to be taken in balancing risk management and country ownership, as experiences are not easily forgotten.
- The LFA role was contentious in several countries where it was extending its mandate to supervise technical aspects of program implementation. In these countries, this was seen as interference and a barrier to country ownership of the grant management process.
- Many respondents across countries (especially among grassroots CSO partners) expressed concern that grant implementation was an isolated process, disconnected from upstream decisions on activities, targets, and indicators, which were taken at higher levels, sometimes thought to be in Geneva. It was also often mentioned that PBF was a prerequisite of GF, not of the countries.

In-country difficulties and initial contextual constraints notwithstanding, most respondents in the 16 CPA countries also indicated that there had been improvements over time, notably through better integration of Global Fund activities to existing health plans, with the funds often serving as a catalyst to overall increased funding, thus ensuring continuity and sustainability of national policies⁸⁴. While a certain extent of country-level adaptation is to be expected, and to some extent, desired, given the financing-only and country-led paradigm adopted by the Global Fund, there are important implications and potentially negative unintended consequences for grant oversight and management that result, mainly in terms of gaps in country-level responsibilities and accountability, and overlaps that adversely affect partnerships.

The Five-Year Evaluation also found examples of conflicting Global Fund policies and guidelines regarding expected roles in grant oversight and management that contribute to variability in policy operationalization and interpretation. For example, the support mechanism designed to promote

⁸⁴ A notable exception was Cambodia, where CPA respondents stated clearly that HIV/AIDS donors were pulling out because of the availability of financing from the Global Fund.

early identification of challenges to program implementation⁸⁵, EARS, assigns poorly defined primary and secondary roles and responsibilities to CCMs and PRs which contribute to the lack of clarity about their respective roles in grant oversight and management.⁸⁶ In the EARS rubric, PRs are given primary responsibility for identifying technical assistance needs, and CCMs are assigned secondary responsibility for needs identification and TA mobilization; however, there is no clear delineation between primary and secondary responsibilities⁸⁷. In other Global Fund policies and guidelines⁸⁸, CCMs are tasked with primary grant oversight responsibility, including TA coordination and mobilization, which seems to contradict the secondary role CCMs are assigned with respect to EARS.

f. Benchmarking of the Global Fund's roles in oversight

Key Finding: The Global Fund does not currently utilize a unique “hands-off” approach to grant oversight and management; in fact, recent policy decisions are pushing it closer to more traditional development aid organizational practices.

The performance-based funding model of operations used by the Global Fund requires a fair amount of direct oversight by the Secretariat, as well as a reliance on in-country capacities to provide quality monitoring information. Empirical observations made by SA2 of the roles currently played by the Global Fund in grant oversight and management, combined with a comparison with other major sources of global development financing, liken it to other more traditional development aid approaches, such as those used by the World Bank or the International Fund for Agricultural Development (IFAD). Table 9 indicates, using plus signs, the intensity of participation or enforcement on a five-point scale, five being the most participatory or intense. For example, all three utilize performance-based conditions for their financing; all implement some sort of oversight and due diligence framework; all three conduct independent evaluations. Only the World Bank has country presence; however, IFAD does not, and country managers in IFAD perform similar functions as the FPMs in the Global Fund. The uniqueness of the Global Fund is not found in its financing-only paradigm, rather it is found in the high velocity of its take off, its rapid rate of expansion, and its low ratios of staff to financial commitments and disbursements, the singularity of its focus, and the country-led preparation of proposals.

⁸⁵ Annex: Early Alert and Response System, 12 August 2005;

http://www.theglobalfund.org/en/files/funds_raised/ears/EARScountriesletterannex.pdf

⁸⁶ Early Alert and Response System (EARS): Accelerating implementation through prompt identification of bottlenecks and facilitating technical support to grants, January 2007, powerpoint presentation

⁸⁷ Ibid.

⁸⁸ Global Fund, “Guidelines on the Purpose, Structure, Composition and Funding of Country Coordinating Mechanisms and Requirements for Grant Eligibility”, November 2007: Decision Point GF/B16/DP19, Attachment 1.

Table 9: Comparison of Global Fund and other development partners' approaches to grant oversight

	IFAD	IMF	Gates Foundation	African Development Bank	Andean Development Bank	World Bank	Global Fund
Major financing agency	++	+++++	++	+++	++	+++++	++++
Performance based conditionality	+++	++++	++	++	+	++++	++++
Projects or proposals prepared by country	+++	+	++	+	++++	+	+++++
Tracking, oversight and due diligence framework	++	+++	+	++	+	++++	++
Single or Multi Purpose	++++ (agriculture and rural devt only)	++++ (macroeconomics only)	+++ (three major focus areas)	++	+	+	++++ (three diseases only)
Conducts independent evaluations	Yes	Yes	Yes	Yes	No	Yes	Yes
Country Presence	No	Yes, but limited and selective	No	None before 2004; now increasing	No	Yes	No

2. Country level partners roles and responsibilities

a. Country Coordinating Mechanisms (CCMs)

Key Finding: The 16 CPAs show 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, despite the Global Fund's expectations regarding the role and long-term value of CCMs.

Even if the CCM model is acknowledged to be a unique and innovative approach to the creation and strengthening of partnerships at the country level, the evidence gathered by SA2 shows that its potential role in effective grant management and oversight is severely proscribed by a variety of intervening factors.

In seven of the 16 CPA countries, 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. CPA respondents in half of the countries⁸⁹ clearly stated that the CCM was for proposal development, not grant management or oversight.

The CPAs consistently found in the 16 countries that CCMs are not sufficiently empowered with finances to take on expected grant oversight and management roles, and that the CCM Secretariat rarely functions well enough to assume these roles, even when it has access to finances. The scarcity of both financial resources, as well as functional capacity, severely restricts the potential for the CCM to take on further responsibilities in grant oversight.

The coordination between the CCM, which has primary contact with Secretariat, and the PR, which has primary contact with the implementing SRs, was not found to function effectively in any of the 16 CPA countries. The potential exception is in Honduras, where there is an incipient initiative for coordination between the single PR for all grants in the country and the CCM for identification of technical support needs through a forum of SRs (see Technical Assistance section for details); however, even here the roles of the CCM v. the PR were found to not be clearly defined, causing inefficiencies.

“The CCM approves the grants, the PR manages the grants” Cambodia CPA respondent

“The general perception is that the CCM role of oversight is limited to meetings and proposal development” Ethiopia CPA report

“CCM meetings seem to be concentrating around proposal development” Review of CCM minutes, Vietnam CPA report

The CCM was described as a “rubber stamp”. Zambia CPA report

⁸⁹ Cambodia, Ethiopia, Haiti, Nepal, Tanzania, Vietnam, Yemen, Zambia

*“The CCM lacks the financial and human resources to fully operate as a coordinating mechanism”
Burkina Faso CPA report*

*“The CCM does not have funds earmarked for its operational role by the Global Fund, resulting in a lack of adequate financial and human resources to function effectively as a country coordinating mechanism”
Nigeria CPA report*

“The CCM wants to be involved in grant oversight but feels it needs capacity building for this, which it has been unable to secure finding for”. Peru CPA report

In only three of the 16 CPA countries (Nigeria, Vietnam, and Honduras) did CCMs have a defined role in TA coordination, but this role was very limited. In two of these countries, the CCM was involved only as a channel for procurement of TA; in Honduras, while the CCM role regarding TA for proposal development was well-defined, with regard to grant implementation, there was still confusion between CCM and PR roles.

In two CPA countries (Tanzania and Nepal), for HIV/AIDS grants, technical support agreements have been made among partners in country, but organized around the national AIDS coordinating body rather than the CCM. The CPA teams found that the CCMs and PRs played a less active role within these agreements, with development partners taking the lead in identifying, mobilizing or providing, and financing needed technical support to improve grant management and performance. These types of agreements, coordinated by an existing disease-specific national coordination body rather than the CCM, demonstrate that coordination and financing organized around a national strategy for one disease may represent a more effective and efficient model for the Global Fund to pursue in the future.

In all of the 16 CPA countries, the majority of CPA respondents clearly stated that the CCM was created to meet Global Fund requirements, and that CCMs duplicated, to varying degrees, pre-existing national coordination mechanisms. The primary reasons given for this duplication were: 1) no one pre-existing body included all the three diseases; 2) most pre-existing bodies did not include CSOs and the private sector; and, 3) there was not sufficient time to try and 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.

Beyond the sustainability of the CCM's role is the question of the long-term engagement of the other key partners involved in the GF grant oversight, management, and implementation, namely the LFA, PRs, and SRs. A consistent claim across the 16 CPAs was that the role and function of these groups lacked clarity and comprehension at the country level, impeding their real engagement.

Clearly defined grant oversight roles in the TNCM in Tanzania

There is a clear structure and function of the various TNCM bodies, including principles of general management and governance. The Operations Manual (OM) outlines operational guidelines and general procedures for executing activities under the Global Fund (Global Fund) Projects in Tanzania. It covers the activities of all the relevant Global Fund-specific partners: the Principal Recipients (PRs), the Coordinating Sub-Recipient (CSR), the Lead Sub-Recipients (LSRs), and the Sub Sub-Recipients (SSRs). Technical working groups and technical coordinating teams have also been established and funded to strengthen the TNCM organizational and grant management capacity, which has worked very well.

It was generally perceived that the structure and functions of the TNCM provide a good opportunity for in-country oversight of the global fund activities. Additionally, it is considered to be a useful forum for coordination, where different sectors come together to discuss health priority issues. Because it is not a stand-alone operation, and it has a wide representation of multiple partners, the TNCM is perceived by in-country stakeholders as a sustainable grant management and oversight structure, as well as an effective model of in-country partnership.¹

Too much CCM involvement in grant implementation in Kenya

In Kenya, the CCM is seen as being too involved in contracting and grant implementation issues, losing its policy and coordination focus in the process. The focus on implementation and allocation of Global Fund resources has caused people to raise questions about conflict of interest and lack of impartiality in the CCM. CPA respondents felt that the CCM's involvement in implementation issues made it difficult to separate the roles of recipient, decision-maker, and monitor.

Table 10: CPA respondent assessment of 12 key processes in managing Global Fund grants

Is the following process country-led?	Very country-led	n
<i>Prioritizing interventions and activities</i>	82%	66
<i>Grant proposal development</i>	85%	66
<i>Budget development</i>	80%	65
<i>Work plan development</i>	83%	65
<i>Procurement for grants</i>	69%	62
<i>Grant program implementation</i>	78%	65
<i>Grant oversight</i>	68%	63
<i>Selecting indicators for M&E</i>	70%	66
<i>Data collection for M&E</i>	77%	66
<i>Reporting for M&E</i>	75%	65
<i>Data quality verification</i>	54%	61
<i>Other routine reporting for GF grants</i>	74%	55

Source: CPA data, SA2, Five-Year Evaluation of the Global Fund

Positive country examples of country-led processes include Nepal, where Global Fund activities have been prioritized, strategic plans revised, and core indicators developed jointly among partners. According to Tanzanians, both the CCM and PBF models have promoted country ownership and strengthened public-private partnerships. In Nigeria, the Global Fund policies were seen as respectful of country-led formulation and implementation of grants, to a great extent because Global Fund proposal and implementation plans are approved by the government as part of national strategies and plans. An e-forum created to facilitate communication and interaction between CCM and other partners further buttressed this perception. Although some donors were trying to influence the grant management at the very beginning, “now there is no interference from any constituency, not even the donors as it is now, and [they] are proud of it.”

The analysis of the CPA data consistently showed that there are inherent contradictions regarding the perception, interpretation, and measurement of country ownership. For example, much of the SA2 data show that, for many country partners at least, the Global Fund model is viewed as no different from that

of other international development partners (i.e., it is prescriptive, inflexible and driven by the headquarters institution)⁹⁰. Yet when the question was asked about whether grant proposal development is “country led”, 85% of CPA respondents responded affirmatively (Table 10). The findings from SA2 underscore unequivocally the difficulty of developing metrics on vague concepts as country ownership, and that much depends on how the question is posed.

There is need to give more value to local capacity and consider in-country constraints to ensure country-driven implementation of the model. The management structures in the Global Fund are aware of these difficulties and constraints. Many of these issues, including the underlying tension between ownership and accountability, have also received attention at Board level through the Policy and Strategy Committee. Much remains to be done, however.

b. Local Fund Agents (LFAs)

Local Fund Agents are a key partner in Global Fund grant oversight in country, and have been the object of different assessments, including that of the Five-Year Evaluation, which conducted a separate focused LFA assessment just prior to the start of Study Area 2⁹¹. LFA representatives were therefore interviewed in the 16 CPAs with a limited focus on their role as partners in procurement.

This evaluation found that LFAs in the majority of the 16 CPA countries assessed the procurement and supply management (PSM) capacity of the PR prior to grant agreement. In 11 of the CPA countries, the LFAs reported actively monitoring the PRs adherence to approved procurement guidelines during the performance reviews. LFAs also were aware of procurement audits at the PR level in seven countries. In the majority of the 16 CPA countries, LFAs also have played an active role in resolving procurement bottlenecks, either through requesting additional funding from the Secretariat, or signaling a need for PSM TA to the FPM.

However, the LFA does not routinely review SR PSM or financial management capacity, nor does it routinely monitor disbursement or procurement delays to SRs, even though SRs account for significant procurement volume. The boundaries of their oversight role, as defined by the Global Fund, prevent them from monitoring procurement issues at the SR level. This evaluation found, however, that LFAs are well positioned to play a more active monitoring role for procurement and financial management, and could be instrumental in increasing the visibility into PSM executed by SRs that is currently obscured, representing a substantial risk for misuse of funds.

LFAs will continue to play a key role in oversight of Global Fund grants at the country level, and the phasing in of a ‘new model’ will deserve attention, particularly with regard to increasing their PSM technical capacity and their expanded role in monitoring the SR management plans developed by PRs.

c. Principal Recipients (PRs)

Aside from the CCMs and LFAs, the important new entities in the Global Fund grant oversight are the PR and SRs, and in some cases, SSRs, who work together to implement the funds and track performance. Among the 93 grants in the 16 CPA countries, there were 102 PRs, about half of which were government agencies (51%). Using more specific categories, the majority of PRs (37%) were actually Ministries of Health (MOH), followed by NGOs (including FBOs – 24% (Figure 6).

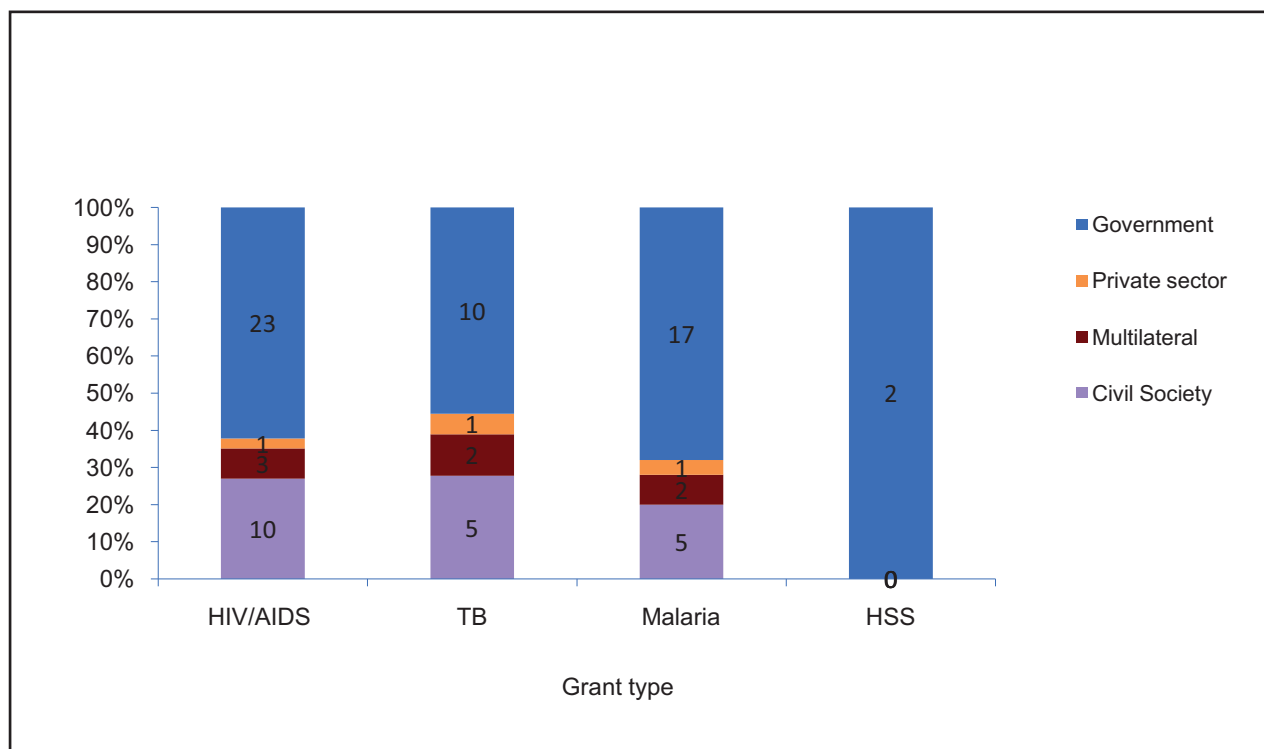
⁹⁰ Reference the appropriate section of the report

⁹¹ Euro-Health Group. 2007. *Evaluation of the Local Fund Agent System*. Geneva, Switzerland: The Global Fund to Fight AIDS, Tuberculosis and Malaria.

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Across the three diseases, the percentage of CSO PRs was similar – 20% (malaria), 27% (HIV/AIDS) and 28% (TB). There was one private sector PR, in Haiti, for grants to all three disease areas. Ten grants have multiple PRs, mostly represented by government and NGO PRs on a single grant. The multiple PR model was most prevalent in Zambia, where HIV/AIDS grants had up to four PRs, and all had at least two, government and CSO.

Figure 6: Type of PR signing agreement per disease area in 16 CPA Countries



Recent Board decisions mandate that PRs must submit a management plan for SRs⁹², which the LFA will monitor as part of its oversight function. However, PRs in the 16 CPA countries often expressed constraints in their ability to manage SRs, particularly if there were a great number of them.

Civil society organizations are key implementers in Global Fund programs, along with governments and multi-lateral organizations. The major route for civil society organizations to participate in Global Fund country activities is by being a part of country proposals – as a Principal Recipient PR) or as a Sub-Recipient (SR). The CPAs found that the processes and expectations for engagement as a PR or SR varied by country, as did the type and quality of oversight of sub-recipients by the PR.

d. *Sub-recipients (SRs)*

Increasingly, Global Fund grants are being implemented by multiple SRs and SSRs. Principal recipients interviewed in all 16 CPA countries consistently referred to the sub-recipients as “the ones doing the implementation”, demonstrating that grant performance is ultimately in the hands of the SRs, even if the PRs are held accountable.

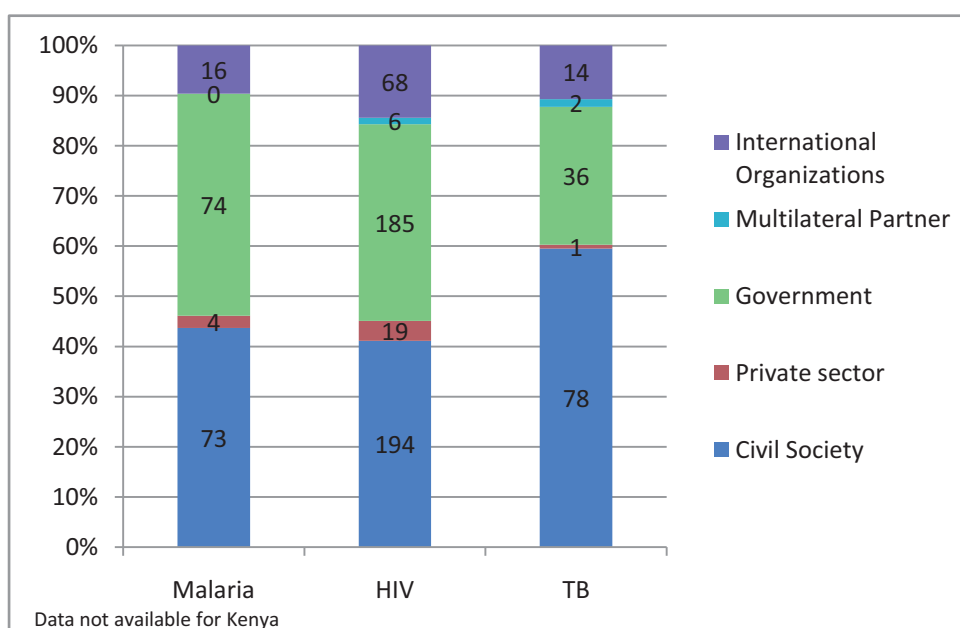
⁹² The Global Fund, “Sub-recipient Management Assessment Tool” December 2007

Key Finding: Implementation of grants is solidly in the hands of sub-recipients (SRs), who are not explicitly part of the Global Fund's oversight structure.

In Kenya, there are 64 SRs implementing seven Global Fund grants. In Ethiopia, SRs have sub-granted to other CSOs so that one CSO organization identified itself as an SSSSR. Full data on SR types and budgets were not available to the SA2 team; the majority of PRs did not have a database on the full extent of sub-granting, and data on SRs were not available at the CCM or Secretariat level. At the time of the CPAs, there was no evidence that SRs were being monitored systematically by either the PR or the LFA. Given the critical role that SRs are playing in implementation of Global Fund grants, this is a critical gap that needs to be addressed.

Mapping of the SRs conducted by SA2 in the 16 CPA countries showed that most SRs (40% for TB grants, 50% for HIV/AIDS grants, and 20% for malaria grants) are CSOs (Figure 7). While the proportion of grant funding that is allocated to CSO SRs was found to vary from less than \$10,000 to half of all disbursed grant fund across seven countries, access to full financial data was not granted to the SA2 team in all 16 countries, or by all PRs in a country. Nevertheless, the data indicate that CSO SRs have been playing a significant role in Global Fund grants. SRs are also responsible for a wide range of grant activities.

Figure 7: Types and Number of SRs, by Disease



Source: CPA Module 4c

Difficulties were reported by most SRs interviewed in the 16 CPA countries with regard to grant implementation, particularly in terms of the lack of local capacity in relation to the high demand of PBF requirements, which were sometimes considered to be a threat for quality achievement of project objectives. Lack of capacity for PBF was often linked to erroneous assessments of existing capacity at the time of grant proposal writing and again when work plans were developed. This could be the result of external experts writing the grant proposals, and the fact that SRs are not centrally involved in the grant negotiation process. Many CSOs who are sub-recipients felt excluded from the decision-making process,

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and expressed the desire to be more engaged in the whole process, not limited to the technical part of the implementation. This is reflected by the Global Fund's expectation that CCMs and PRs should work with partners and the GF Secretariat to identify types of technical support needed; SRs, the actual implementers, are left out of this equation.

Several countries reported weak channels of communication and coordination between the CCM, PR, SR, and beneficiary communities. Generally, technical TA was provided more on an ad-hoc basis by the PR, except in a few countries, such as Peru, where the PR organized venues for SRs to share lessons learned. Many CSOs felt that the PR was primarily concerned with financial auditing, rather than technical programming and knowledge sharing, and even then, only provided financial and management TA on an ad-hoc basis. While some SRs managed to access useful TA for project implementation from technical partners such as the Clinton Foundation or the USAID-funded Capacity Project, all SRs called for increased and more systematic capacity building – for management, implementation, and monitoring and evaluation.

"SRs find PR policies and procedures too strict, bureaucratic and burdensome causing a negative effect on implementation timing and quality." (Honduras)

"SRs desire more collaborative rather than regulatory relationship with the PR." (Haiti)

"PR does not provide TA to SRs on a regular basis" (Kyrgyzstan)

"PR does not provide feedback or discussion relating to improving program performance." (Tanzania)

Grant implementers, especially grassroots CBOs at the SR level, often felt that their capacity was lacking only because now they were administering a higher level of funds than they were accustomed to, and having to do so under an unfamiliar or more rigorous PBF model. In-country partners, regardless of their role in grant implementation, consistently expressed the need for more targeted, systematic capacity building for the two key grant management and oversight functions of financial management and M&E at the SR level.

Several CPA reports referenced situations where the PR had to make budgetary changes to SRs sub-grant without the full involvement of the SRs, where financial audits delayed timely program payments to SRs, and where data or authority was not available to make programmatic adjustments to reflect changes in the environment or epidemiology. The Performance Based Funding system was unknown to CSOs and cited as a deterrent, reducing funding for core support that would enable them to address their constituency needs in favor of quick but unsustainable target achievement. As The Global Fund becomes more well known within the country, more CSOs expressed interest to get involved; yet did not understand how to apply, what they needed to know, or whom to contact.

This evaluation also found that SRs in the 16 CPA countries are often ill- and misinformed about Global Fund policies and requirements, which limits their ability to proactively oversee their own implementation. Many SRs, for example, reported never having seen GF guidelines on performance-based funding or technical assistance. In most cases, SRs in the 15 CPA countries were unaware that grants had budget allocation for technical assistance. As a result, CPA teams found some cases where PRs were enforcing even more stringent reporting requirements than are required by PBF, telling SRs that they were Global Fund requirements. Changes in budgeting, targets, and indicators were often passed off as decisions made in Geneva. Without a clear communication strategy from the Secretariat to the SRs about critical Global Fund policies and guidelines, the recent Board decision for PRs to actively manage SRs may make SRs in some countries even more vulnerable to misinformation and PR control.

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In two CPA countries, Peru and Cambodia, PRs proactively developed management systems to ease their burden and to better support SRs in implementation. Critically, in both these countries, there is only one PR for all Global Fund grants in the country. This provides the PR with a major incentive to invest in better management and oversight, as they are primarily held responsible for grant performance, and for all grants. In addition, these PRs have unique oversight of management challenges and capacity constraints faced by the full range of SRs. The PR, therefore, has the perspective over all the grants that is typically expected of the CCM. However, since the PR is not a partnership of diverse organizations, it can take unilateral decisions regarding SR support and management, and since the PR also has access to grant budgets, it can put resources behind these decisions. Efficiency is gained in grant management and technical support to SRs when there is one PR for all grants. In other countries (such as Malawi and Uganda), stand-alone Global Fund project management units have a view over all Global Fund grants, but multiple PRs have meant that decision-making has been more complicated.

Peru: PR Organizes SR Consortia to Ease Management Burden

The consortia introduces a level of “middle management” in terms of reporting requirements for performance-based funding (PBF): instead of receiving information directly from 45 separate SRs, the PR receives consolidated monthly and quarterly reports from 17 consortium leaders. The consortia have also allowed smaller SRs to receive informal TA from larger consortium members on a variety of topics, such as computer usage, workshop techniques, and financial management. As each consortium includes an organization of people affected/infected by the relevant disease, they reflect well the Global Fund’s spirit of inclusion. This organizational structure has also created opportunities for involving smaller and newer CSOs, as well as promoting collaboration in diverse work groups. The consortia has worked so well that the PR now allows only consortia to bid on each grant objective’s contract, instead of individual implementing organizations.

Cambodia: PR Monitoring and Support of SR Implementation

In Cambodia, the PR initiated biannual progress review meetings with SRs. This regular forum enables the SRs to regularly share lessons and raise awareness about different responses to common challenges. In addition, regular quarterly meetings are conducted to keep track of activities and raise early alarms to SRs in instances of underachievement, under spending, procurement delays, and other implementation problems. The PR maintains M&E, Finance, and Procurement Teams who conduct regular field-monitoring visits in between the biannual reporting cycles to ensure that grant activities are on track, to ensure quality of data collected, and to identify gaps and resolve bottlenecks in implementation. The PR also developed guidelines for financial management, PSM, and M&E, and they give regular training to SRs on these topics. The training is appreciated by smaller nongovernmental organizations (NGOs), but seen as unnecessary by many of the larger NGO SRs. The PR receives much assistance from WHO in these TA functions

Even while several CPA reports expressed the CSO desire to work more directly with each other through networks, various forum, mapping exercises, CSOs serving as SRs commented that The Global Fund had positively increased CSO to CSO collaboration. One example to be followed is in Uganda where the CSO community formed a Civil Society Inter-Coordination Committee for all types of CSOs in the three disease areas to promote better horizontal programming and collaboration.

3. Country ownership of grant oversight and management

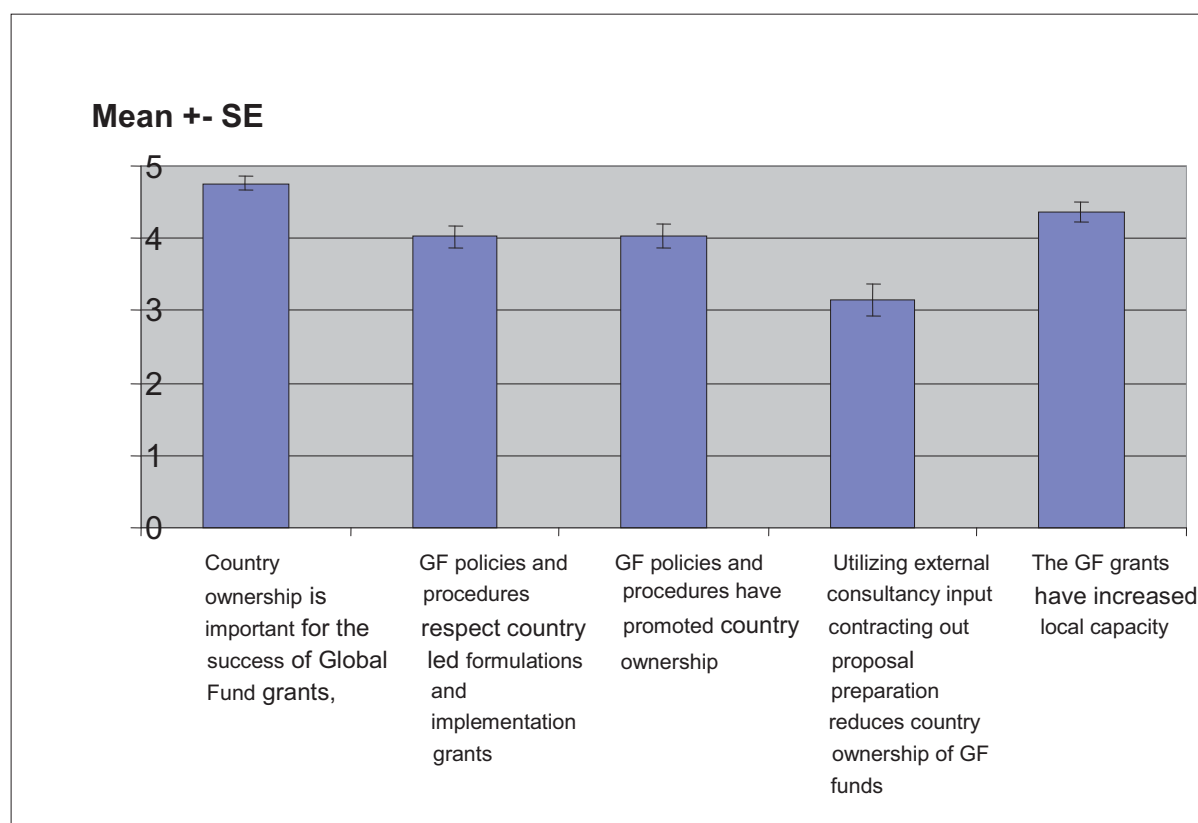
Effective operationalization of country ownership, resulting in a clear locus of control in country, is strongly related to in-country capacity to develop quality proposals as well as to implement and manage grants. The Global Fund's country-led model of grant activity design and PBF monitoring of grant implementation point to the need for sufficient grant management and oversight capacity in country, if the model is to succeed. The Global Fund's operationalization of country ownership is largely in line with the principles outlined in the Paris Declaration on Aid Effectiveness, with the added specificity that "country" is constituted by a partnership of government and civil society.

Key Finding: This evaluation found that the Global Fund has made progress in placing grant management and oversight responsibility in the country's hands, and that the countries realize this. However, SA2 also found that capacity constraints for grant management and oversight interfere with progress in country ownership, and that investment in capacity building is lagging.

SA2 also found a persistent tension between country ownership and the performance accountability principle underlying the PBF model that requires further resolution. The tension was further reinforced by the fact that country ownership remains a vague and widely interpreted concept that requires further definition and development of metrics before reliable research exploration can be undertaken.

SA2 explored the principle of country ownership, asking respondents to rate statements on a scale of 1 to 5, from strongly disagreeing to strongly agreeing (Figure 8). Almost all respondents (98%; n=46) agreed or strongly agreed that "it is important for the success of the Global Fund grants." A further 87 percent (n=47) stated that they agree or strongly agree that "the Global Fund grants had increased local capacity," 75 percent (n=47) that "the Global Fund policies and procedures respect country-led formulation and implementation of grants," with the percentage decreasing about "the Global Fund policies and procedures promoting country ownership" (70%; n=46). Although external technical assistance (TA) could potentially diminish country ownership, CPA respondents had mixed perceptions, which divided into two equivalent clusters: the 40% who did not agree that "utilizing external consultancy input or contracting out proposal preparation reduces country ownership of Global Fund funds," and those who did (47%).

Figure 8: Observations about country ownership



The CPAs also collected data on the extent to which 12 key processes in grant proposal development, implementation, and performance monitoring are country-led (Table xx). Responses suggest that almost all were rated as country-led (with an exception for data quality verification). Most respondents agreed that GF policies and procedures respect country-led formulation and implementation, especially in the area of grant proposal development (85%; n=66), prioritization of interventions and activities (82%; n=66), and budget and work plan development (respectively 80% n=65 and 83% n=65). Ownership of other key processes was less evident: selection of indicators for monitoring and evaluation (M&E), grant oversight, and especially data quality verification, were considered to be less country-led by a greater percentage of CPA respondents.

E. Conclusions: Grant oversight capacity

At the country level, roles and responsibilities for grant management and oversight have been clearly, *but not consistently*, identified in Global Fund policies and guidelines, creating gaps and overlaps at the country level among implementation partners on the same grant, and in the same country, regarding the actual and expected roles of LFAs, CCMs, and PRs, as well as the FPMs and other Secretariat staff. This confusion in key grant implementation, management and oversight functions are barriers to effective grant performance.

There is a gap in Global Fund investment in and strategy for local capacity building to enable sustainable oversight and management capacity at the country level, either for CCMs or PRs. The unpredictability of Global Fund financing flow and continuity, and the overlapping roles of the PR, LFA, and CCM in oversight and coordination, also create unintended negative consequences for local capacity building for

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grant implementation and management, which is compounded by the lack of Global Fund country presence and the frequent and dramatic changes in Global Fund policies and guidelines over a few short years.

While country context and individual organizational capacity should determine how management and oversight capacity is best configured, the Global Fund should support countries by articulating how it will make investments in management and oversight capacity at the local level, and take the appropriate policy decisions to operationalize the investments. A renewed focus on improving the efficiency of grant implementation by investing in management capacity will allow for improved performance and sustained disease impact.

Consistent with the findings of the 2005 CCM Baseline study, the Evaluation also found that CCM oversight typically did not extend beyond proposal preparation. Even in places where CCM was found to have “transcended” the Global Fund and actively support overall coordination and partnership for the three diseases at the policy level, the CPAs did not find that the CCM played a similarly significant role at the level of implementation, in terms of grant oversight or management.

Although the Global Fund continues to search for the measures and alchemy conducive to supporting genuine country ownership, the results, as measured in this evaluation, have to date been highly variable, complex, and seemingly contradictory, as well as highly context-specific. A major problem in this regard is that the norms, standards, and metrics by which to determine country ownership are at best vague and at worst entirely subjective. The CPA data also show that country ownership is not a matter of simply improving procedures, such as increasing efforts to align Global Fund processes with in-country cycles, especially for those reporting requirements which are considered to be particularly complex, burdensome, and frequent. Grant management depends on national and local capacities (and integrity), which are highly variable.

Although the locus of implementation is now firmly in the hands of sub-recipients (SRs, and sub-sub-recipients), SA2 observed an essential functional management and communications gap between the SRs and the CCMs, and also with the Secretariat. Not only do current communications and management structures usually leave out the SRs, but Global Fund policies have not fully clarified the critical issue of how SRs will be included in grant oversight systems. Essential decisions at the Board and Secretariat level need to be taken to address the issue of SR (and SSR) oversight.

The future role of the CCMs is unclear, based on the available evidence. SA2 found that CCMs still do not play an active role beyond that required for proposal development and submission. Inconsistencies and gaps in Global Fund policies, as well as inconsistent and confusing communications about these policies, has meant that CCMs, as well as PRs and LFAs, are unclear as to the roles and responsibilities assigned to CCMs. Additionally, SA2 found little evidence that CCMs are sufficiently empowered, financially, structurally, or politically, to take on the variety of roles required for effective grant oversight and management. The fact that in most countries, and 15 of the 16 CPA countries, the CCM is a parallel body that often crowds out other pre-existing structures presents a barrier to sustainability of the CCMs. Although the CCMs have served an important partnership function in bringing CSOs and affected communities into the national policy level dialogue, it may be that CCMs (at least in most instances) may need to be viewed as a transitional, catalytic structure for the purpose of expanding partnership for disease control. There is already some evidence that national disease control programs, and global partnerships, are adopting the CSO and affected community involvement model that the Global Fund

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has made common. As the Global Fund moves to funding national strategies, the focus may need to shift to finding alternative future trajectories for the CCM.

Several policy level decisions indicate that the Global Fund is increasingly beginning to resemble other full-service delivery development agencies: its moves into pooled procurement and management of a global affordable malaria drug facility are key examples. As the size and number of grants and SRs increase, and the requirements for monitoring of performance criteria intensifies, the Global Fund will need to find ways in which to ensure that adequate oversight capacity of grants exists, either from country or global sources, including its own Secretariat. To address these pressures, and in order to avoid discredit by scandal, the Global Fund needs to put in place much stronger fiduciary arrangements. This may mean that the Global Fund takes on more of the characteristics of a traditional multi-lateral development agency, but this may be the inevitable outcome of combining massive financing with performance-based conditions, and the need for solid corporate accountability that results.

VI. Technical Assistance

A. Introduction:

In its World Development Report of 2005, the World Bank drew attention to three main challenges that all donors face when trying to provide effective technical assistance (TA)⁹³:

- Supply- vs. demand-driven approaches. Donors easily fall prey to supply-driven approaches which generally do not work.
- Specialist expertise and scale. Technical assistance needs to be appropriate to the scale of need and to be available on a secure, timely and predictable basis.
- Institutional fit. Advisers from donor countries very often propose solutions that fail to take account of institutional and capacity realities which can lead to poor or perverse results.

The provision of appropriate and timely technical assistance is essential to the success of the Global Fund's new model of providing development aid: focusing on financing, functioning through partnerships, maintaining no field presence, supporting country ownership, yet holding its grantees accountable to a rigorous performance-based funding system. TA is, in the context of the Global Fund's financing model, an indicator of how effectively partnerships and grant oversight mechanisms are functioning, as well as an input to improved grant performance.

The Five-Year Evaluation examined the current systems in place for the mobilization and financing of TA to support grants, in particular systems to mobilize TA for the improvement of grant implementation, at country and global levels, and the interactions between the two levels. The efficiencies, effectiveness, and costs of various TA systems were assessed within the limits of data availability. Study Area 2 collected primary data from the 16 CPAs and from interviews with global partners, who also provided secondary data to the SA2 team.

The main finding is that, examples of successful TA notwithstanding, functional systems to provide effective TA are not yet in place. The TA systems are not functional largely because essential arrangements and mechanisms that secure and provide appropriate, adequate, timely and demand-driven technical assistance to programs and organizations in need have not been fully established. This essential systemic weakness results in unnecessary costs to the Global Fund and its country and global partners, in terms of efficiency and effectiveness of technical support provision, and is a matter requiring priority attention.

More specifically, this evaluation identified a complex set of problems, inconsistencies, and confusions regarding all aspects of technical assistance, at both the global and country levels, some of which are common to development aid in general, and some of which are specific to the Global Fund. A focus on the latter has generated the recommendations presented below. These recommendations draw from a synthesis of findings from across relevant topic areas, which are presented in summary below. Detailed findings specific to the SA2 examination of TA systems at the global and country levels are presented after the recommendations.

⁹³ WDR 2005 A Better Investment Climate for Everyone, pg. 225

B. Summary of Findings: Technical Assistance

The Five-Year Evaluation found that an efficient and effective system for the provision of technical support to Global Fund grants does not yet exist.

At the global level the Global Fund has not sufficiently clarified and led the coordination 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. This is largely an extension of the gap created because the Global Fund has not developed an adequate overall partnership strategy, which would also facilitate timely and reliable provision of high quality TA. Significant attention has not yet been accorded to programming, in coordination with global partners, 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. However, the partners also have much to do to systematically mobilize themselves to provide technical assistance to Global Fund grants, much as the Stop TB Partnership has done to date.

Regardless of any previous policy statements, there is still confusion among donors as to whether they should directly finance Global Fund-related TA efforts of global technical partners, or if they have already provided such support in their contribution to the Global Fund. Additionally, many technical partners are still unclear whether the Global Fund might 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. Policy clarification will help to address the barriers associated with the “unfunded mandate” that WHO and other technical partners currently face.

At the country level, the Five-Year Evaluation found that the confusion regarding roles and responsibilities for TA needs identification and mobilization are even more pronounced. The extensive, consistent, country-level confusion about Global Fund guidelines and policies regarding funding of TA is preventing the development of effective partnerships for TA mobilization at the country level. The mere availability of TA funds in the grant budgets has not been sufficient to meet the demand for TA. Capacity at the local level to identify and articulate TA needs, and to identify quality sources of TA, are constrained, and also contribute to the under-spending of grant budgets for technical assistance. In-country partners were also not fully taking on the important role of enhancing recipient’s access to TA through grant budgets.

This evaluation also found that the conditions relating to accessing and spending grant TA budgets either impede, or are interpreted at country level in ways that impede, accessing technical assistance in an efficient and effective manner. A variety of barriers-- cultural, structural, and political-- combine to prevent the effective spending of grant TA budgets, and these barriers are largely unaddressed or reinforced by Global Fund policies and procedures.

Importantly, in-country partners in health, in particular for HIV/AIDS, TB, and malaria, so not engage actively enough with PRs and CCMs to keep tabs on grant implementation challenges and emerging TA needs of PRs, SRs, and SSRs. Although in-country partners typically possess both the perspective and the skills needed to facilitate the identification of TA needs and the access to TA resources, this evaluation found that many partners have not fully committed to supporting the global public health goals of the Global Fund by engaging with the activities in country to achieve those global goals. More active engagement by in-country partners is likely the key to unlock the efficient use of grant TA budgets, which, for Round 7 grants, amounted to \$69 million dollars over 5 years.

Technical assistance provided by global technical partners has been, to date, heavily focused on proposal development, with little evidence of longer-term capacity building, and is received mostly by CCMs and PRs, with little attention or benefit to SRs and SSRs who are the primary implementers and more often lacking in essential capacities for grant implementation and management.

Better early alert systems to identify grant implementation problems and technical assistance arrangements to respond to and correct these are also urgently needed. This evaluation found that the current Early Alert and Response Systems (EARS) does not adequately fulfill this function; even though information to alert recipients to early implementation problems already exists, it is not shared with relevant partners nor used by the Global Fund for this purpose.

The CPAs conducted by SA2 did find examples of efficient and effective country-level TA systems that are organized by PRs. These were strongly associated with having only one PR for all grants in a country, indicating the potential effectiveness of identifying a specified in-country TA focal point for Global Fund grants. The evaluation also found examples of potential efficiency using a mediated demand model, such as that of the US government bottleneck TA funds, and potential for greater alignment using global strategies and plans, such as the agreement with Stop TB Partnership. Roll Back Malaria's experience with regional approaches to proposal development and the UNAIDS model of Technical Service Facilities (TSFs) also point to potential strategic partnership arrangements for longer-term regional capacity building. The Global Fund can better tap into these types of ongoing efforts, but will need to first clarify and strengthen current financing and responsibility agreements with technical partners.

Overall, the Global Fund is in urgent need of systemic and strategic arrangements to secure reliable, timely and high quality technical assistance. An ideal technical assistance model would first organize partners according to a grant life cycle framework, explicitly plan for sustained local capacity building according to that framework, and utilize a somewhat centralized (at the country-level), well-coordinated, efficient, and quality-assured technical assistance request process. Effectiveness and coordination at the country level could be further increased by aligning HIV/AIDS and malaria proposals with global plans and strategies, as has been done for TB. Achievement of this will require multiple policy decisions and a number of sequenced actions. Recommendations for the types of actions needed to improve the efficiency and effectiveness of technical assistance are provided in the following section.

C. Recommendations: Technical assistance

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.
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);

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- 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.
- 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

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organization and other partners in preparing appropriate statements of work (SOWs) for TA by PRs and SRs.

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.

D. Summary of evidence: Technical assistance

1. Global Technical Support

Key Finding : Among the five global TA systems examined by SA2, there are wide variations in processes for TA needs identification, mobilization of TA experts, and financing of TA for Global Fund grants. Although this shows that no coordinated system exists, there are also best practices that can inform a more effective, efficient, and coordinated system.

Currently, there are a few independently established global systems for mobilizing TA or support specifically for Global Fund grants, including:

- The “bottleneck” TA (financed by the U.S. Government [USG]) which is designed to identify implementation problems early on, preferably prior to Phase 2 assessment.
- The *Deutsche Gesellschaft für Technische Zusammenarbeit* (GTZ) GmbH BACKUP Initiative seeks to increase country capacity at the CCM level to identify and access international TA financing.
- Three key global technical partnerships in fighting the three diseases (Joint UN Programme on HIV/AIDS [UNAIDS], Stop TB Partnership [STP], and Roll Back Malaria [RBM]), coordinate and provide TA to national programs. The TA is not necessarily specific to Global Fund grants but often relates to these.

Study Area 2 examined the defining characteristics and the strengths and weaknesses of each of these systems, including, where data were available, indicators of their TA quality and costs (Table 11). Attention was also given to examples of best practices that could be further supported or emulated by the Global Fund Summary of strengths and weaknesses of the five major global sources of Global Fund TA.

TA Provider	Table 11: Compared Strengths and Weaknesses of 5 Major TA Mechanisms for Global Fund Grants	
	Strengths	Weaknesses
USG Bottleneck TA	<ul style="list-style-type: none"> • Rapid, timely, efficient. • Simple request process. • Clear financing sources and assigned roles and responsibilities. • Quality-assured TA request process • Well focused (i.e. on TA for grant management functions: M&E, PSM, PFM, OD • Routine tracking of TA requests, providers, and costs 	<ul style="list-style-type: none"> • Mediated demand - not country-led • No clear objective for sustained capacity building, either for TA provided or for SOW development process • Functions through bi-lateral mechanisms that do not always coordinate with partners in country
GTZ BackUP Initiative	<ul style="list-style-type: none"> • Country presence • Specific support for HRD and empowerment of civil society • Focus on academic and civil society institutions which may otherwise be marginalized by their limited capacity to meet Global Fund requirements 	<ul style="list-style-type: none"> • Focus on HIV/AIDS—partners only with Joint UN Programme on HIV/AIDS (UNAIDS), World Health Organization (WHO), and International Labor Organization (ILO). • No routine tracking of TA requests, providers and costs
UNAIDS	<ul style="list-style-type: none"> • Country presence • Technical Support Facilities (TSFs) – regional networks that target capacity building of local consultants as well as provide support to grants • A solid template exists (from the GTT report) for clearly defined roles of partners to • Proactive monitoring of grant implementation bottlenecks facilitated partners to provide TA early on 	<ul style="list-style-type: none"> • Results still lacking on key initiatives (piloting of grant Technical Support Plans, coordination with World Bank) that could inform Global Fund • Evolving global technical standards affects TA demand • Lack of global consensus on indicators and HIV/AIDS control strategy

TA Provider	Table 11: Compared Strengths and Weaknesses of 5 Major TA Mechanisms for Global Fund Grants	
	Strengths	Weaknesses
Stop TB Partnership	<ul style="list-style-type: none"> • Agreement that links Global Fund proposal development with the Global Plan to Stop TB, including budgets and workplans • Partners with Global Fund for proposal development TA through regional workshops • Strong communication channels without country presence through annual program reviews • Integrated access through the Global Drug Facility (GDF) to drug and diagnostic kit procurement and supporting systems TA • Systematic tracking of TB grants to anticipate possible TA needs • Life-cycle approach, including developed TORs, to providing grant TA • TB Technical Assistance Mechanism (TBTEAM) has clearly defined roles of partners to respond to TA demand 	<ul style="list-style-type: none"> • Over-reliance on international experts • Limited number of TB experts available globally • Uncertain funding for TA prevents longer-term planning for human resources
Roll Back Malaria	<ul style="list-style-type: none"> • Regional workshops and TRPs for proposal development foster country-to-country learning and local capacity building • Partner with Global Fund for regional proposal development workshops • Sub-regional networks provide close to the ground communications • Learning from Stop TB experience and model 	<ul style="list-style-type: none"> • TA to date focuses on proposal development • RBM partnership needs time to strengthen presence and procedures

The strengths and weakness of the various programs and institutional arrangements summarized above suggests a certain number of differentiated best practices. The USG Bottleneck TA provides the best model in terms of the efficient and quality-assured way in which TA is provided to grants.

Efficient and quality-assured TA mobilization by USG

In 2006, countries reported that they only used 1 hour to complete a standard TA request. The requests go to the Global Fund Secretariat, and are then sent to OGAC, where they are first reviewed by the Technical Support Advisory Group (an internal USG team); almost simultaneously, a group of disease and geographical specialists within USG reviews the SOW, as well as GIST and the Global Fund. Recommended changes from these three sources come back to OGAC, who incorporate them into the SOW; then the SOW goes to the TA implementing contractor (currently MSH) who might refine the SOW before developing a workplan with timelines, budgets and deliverables, which are then submitted to OGAC for final approval. In 2006, it took an average of 4-6 weeks between OGAC receiving an SOW from the country and a technical support team arriving in country.

The grant life cycle approach to TA planning undertaken by TBTEAM, complete with TORs, provides the most encouraging framework for organizing partners and their roles.

Stop TB Partnership: Grant Life Cycle Approach to Technical Support

Since 2005, the Global Fund has been the largest source of funding for TB control programs globally. In recognition of this, the Stop TB Partnership has taken a proactive role to support countries in accessing Global Fund grants and to use the funds effectively. This includes forecasting the TA that will be needed to support TB programs through the life cycle of a Global Fund grant. Stop TB and the Stop TB Department of WHO (STD/WHO) have developed Terms of Reference (TORs) for TA to subsequent phases after acceptance, focusing on grant negotiation, Phase 1 implementation, Phase 2 implementation, and phase-out planning.⁹⁴ Recently, TA specific to applying for Rolling Continuation Channel has been added. All TB grants are tracked, using color coding, to anticipate possible TA requests and needs.⁹⁵ The roles and responsibilities of 15 Stop TB partners in providing TA are defined according to country presence⁹⁶, and the objectives and roles of the TB Technical Assistance Team (TBTEAM) are defined at the global, regional, and country levels. Much of the communication regarding TA needs occurs directly between the national disease control programs and the Stop TB Partnership, with only occasional intervention from FPMs. Stop TB is extending its focus to SRs, for capacity building for Global Fund grant implementation, in particular M&E and program management.

The regional TSFs established by UNAIDS furnish the best example of strategic, long-term capacity building.

⁹⁴ Stop TB TBTEAM Support to countries for implementation of Global Fund TB grants; TBTEAM Secretariat, WHO, 16 July 2007.

⁹⁵ "Global Fund TB Grants," STP/STD internal document, July 2007 version.

⁹⁶ "TBTEAM network: Partner mapping table", STP/STD internal document, July 2007 version.

UNAIDS Technical Support Facilities: a strategy for local capacity building

UNAIDS has gone further in trying to bring TA closer to the ground by establishing the Technical Support Facilities, which are regional level organizations that outsource TA. The TSFs maintain extensive databases of 3500-4000 quality-assured national and regional consultants who provide mentoring and shadowing to local counterparts. By 2006, UNAIDS had established five TSFs across the globe, covering about 60 countries in South America, Southern Africa, Eastern Africa, West and Central Africa, and Asia and the Pacific. Through these TSFs, about 5000 days of TA were provided; about 40% of the TA was for development of proposals, and 30% for development of M&E systems. TSFs are meant to be “one-stop shops” that assist clients in developing TORs, sourcing appropriate expertise, managing contracts and logistics, supervising consultants, and ensuring quality of the TA and deliverables. Using such an approach, the TSFs work not only to provide appropriate, quality-assured TA, but also to develop the capacity of clients to manage their TA needs.

The approach that moves closest to alignment and to national strategies would seem to be Stop TB’s agreement with the Global Fund that allows integration into the Global Plan to Stop TB (2006-2010).

Agreement promotes alignment and move toward funding national strategies

In 2006, Stop TB Partnership and the Global Fund reached an agreement that proposals to the Global Fund could follow the structure of the Global Plan to Stop TB. This agreement eased much of the burden on country TB programs in developing Global Fund proposals, as these were just one part of the overall national strategy, which was designed to be in line with the Global Strategy and Plan. Global Fund grants since round 6 are much better aligned with national strategies as a result, and Global Fund financing for TB is closer to national strategy support. The key was having a tool such as the Global Plan around which to organize proposed activities and their monitoring.

2. The Global Fund’s TA Mobilization Mechanism: EARS

In the early years of Global Fund grants, partners worked to monitor implementation in order to keep track of whether this innovative model was working. In 2003, for example, many common bottlenecks early in implementation were identified by UNAIDS. By 2005, the widespread experience of early implementation bottlenecks that were resulting in consistent poor performance in early phases that nearly halted funding pointed to an urgent need for better systems to identify grant implementation problems early on, and to mobilize partners to address them.

The primary response to this problem which is managed directly by the Global Fund has been the Early Alert and Response System (EARS), which was set up as a system intended to identify such bottlenecks early in the implementation process and communicate with partners to mobilize technical support to rapidly address the problems. One partner, the US government, earmarked 5% of annual PEPFAR funds in preparation for supporting the anticipated demand for technical support from countries. This mechanism of information feedback and financing response among the Global Fund’s partners was intended to supplement and build in-country capacity for grant oversight and management, thereby improving grant performance.

The Five-Year Evaluation did not find that EARS functions according to these original intentions. Among the 853 respondents in the 16 CPA countries, there was nearly universal lack of awareness of EARS. The

few country partners who were aware of EARS were skeptical that it would respond to their needs in a timely manner or were convinced that EARS was not set up properly to meet its stated objectives. Respondents in two countries that received technical support for establishing the Executive Dashboards that support EARS appreciated the utility of the tool, but its role in mobilizing TA was unclear to them.⁹⁷ In these same countries, there is at least awareness of EARS, but this is extremely variable. There were partners in the same grant that are either completely aware or completely unaware of EARS; there were also partners with opposite perspectives on whether EARS is useful and country-driven. No CPA respondents were aware of any direct role EARS had played in mobilizing TA for their grants.

The CPA findings were corroborated by representatives from key global partners, who consistently stated that EARS does not work because it was not properly designed. The partner responsible for financing and providing bottleneck TA has since instituted its own systems for countries to request TA. Some partners have bypassed the EARS mechanism and now use their own in-country monitoring of grants (UNAIDS); others would rather have regular and ongoing coordination with FPMs to discuss implementation challenges that grants are facing (e.g., PEPFAR, RBM, STP). Most global partners were of the opinion that the necessary information is already being collected routinely by the Secretariat, but that it is not used for the purposes of identifying implementation problems, and it is not shared with the relevant partners who could efficiently mobilize technical support. The consensus, from both country and global technical partner perspectives, is that EARS is not designed to catch grant implementation problems early enough, and that it does not get the right information to the right people at the right time, and that there are other, more efficient means to accomplish this objective.

3. *Technical support to Global Fund grants to date*

To date, technical assistance has focused primarily on proposal development, especially from the technical partners. Approval rates of these TA-supported proposals are higher than for non-TA supported proposals; however, the current model of external consultants leading proposal writing does not provide much evidence for local capacity building for producing quality proposals. The TA received by countries to date has also tended to focus on CCMs and PRs, with little attention or benefit to the SRs and SSRs who are the major implementers. In this regard, an important finding is the consistent need expressed by CPA respondents, especially SRs, for technical assistance. This furnishes strong evidence of a large unmet demand. Where capacity exists, some PRs are stepping in to fill this gap.

Although the Global Fund facilitates TA to meet several different purposes (e.g., M&E, establishment of financial systems, operational problem solving), the vast majority of TA to date has been at the front end and directed to furnishing external specialists to assist in proposal development and proposal writing. The data on proposal approvals by round (text box below) show that this kind of assistance has served as an important catalyst for increasing disbursement, an important objective of the Global Fund. However, the data from the 16 CPAs also provide strong indicators that, in spite of working with country teams, the contribution to building local capacity for proposal development has been uneven and inconsistent. This reflects to a considerable extent differences between countries, but it also presents a paradoxical and inconsistent pattern of effectiveness that the Global fund will need to address. The most typical and representative responses from the CPAs either expressed appreciation of external TA on the grounds that it relieves implementers of the burden of writing complicated proposals or expressed that it undermines country ownership and, in some cases, also leads to programs that do not accord with country realities and country constraints. These assessments notwithstanding, it was also

⁹⁷ Tanzania and Nigeria, from CPA interview notes. Both countries received this TA from MSH, funded by the USG bottleneck TA fund.

generally recognized that the Global Fund had well defined processes regarding proposal development and that these encouraged the country to determine its own priorities with respect to the three diseases.

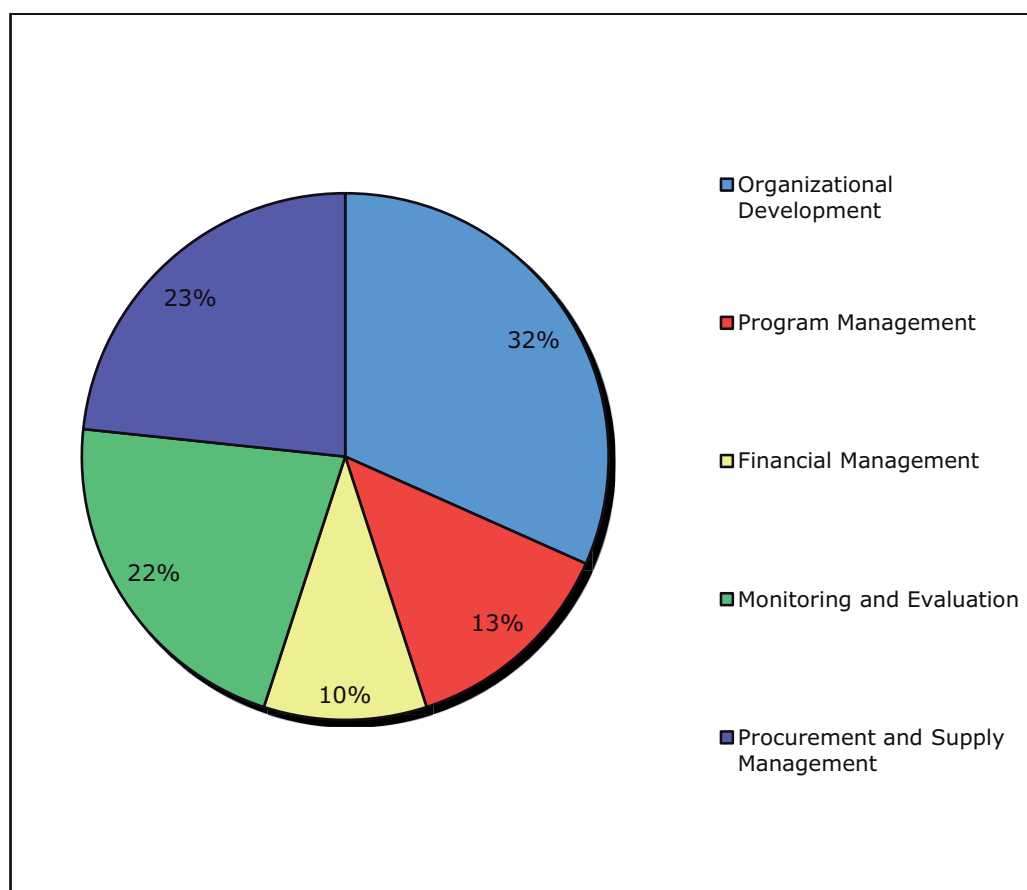
The five sources of global financing for technical support to Global Fund grants represent varying systems each with its own set of distinguishing features. Only two of these sources existed prior to 2005; UNAIDS, since the first round of Global Fund grants, and GTZ, since 2002. The other three are relatively new systems that came together since 2006, and therefore have functioned as systems (rather than ad hoc) for only two or three rounds, limiting the data available for assessing TA effectiveness for grant implementation. In addition, the monitoring systems for TA provided through each of these mechanisms are variable, with some routinely and systematically monitoring requests, providers, SOWs, and costs, and others not. The strongest tracking was for the effectiveness of proposal TA; UNAIDS, STP, and RBM all reported increased approval rates for proposals that received TA.

Effectiveness of TA for proposal development:

- HIV/AIDS: 85% of proposals in rounds 5 and 6 received TA from UNAIDS/WHO
- TB: 100% of successful proposals in round 6 received TA from TBTEAM
- Malaria: 62% of malaria proposals were approved in round 7 after regional proposal development workshops, up from 32% in round 6

In round 7, there was an unprecedented high proportion of malaria grants approved, partially due to the technical assistance inputs of RBM, which were organized on a regional level. Participants in the regional workshops were particularly appreciative of the country-to-country learning that was facilitated by RBM, as well as the regional TRPs that were organized, which countries also found to be a significant capacity-building experience. RBM clearly states that it is learning from the successes of the Stop TB Partnership in developing partnerships with the Global Fund. For example, RBM has proposed that the Global Fund host the Affordable Medicines Facility for Malaria (AMFmm), which has a similar “package” approach to increasing access to affordable medicines as Stop TB’s Global Drug Facility (GDF) – ensuring access to quality-assured drugs at affordable prices through global procurement mechanisms, as well as in-country interventions to ensure appropriate use by programs

Data on TA for grant implementation was primarily available for USG bottleneck funds. This source of financing for TA focuses on supporting four areas of bottlenecks: organizational development (OD; usually CCM capacity building); program and financial management (PFM); monitoring and evaluation (M&E); and procurement and supply management (PSM). Funds are provided to partners to coordinate and carry out the TA through bilateral mechanisms and by providing funds directly to global technical partnerships (UNAIDS, Stop TB, and RBM). The pilot year was 2006, during which 40 SOWs were received from 22 countries through the bilateral mechanism; as of December 2007, 10 countries had requested 18 types of support. The distribution of the 40 SOWs from 2006 is shown in Figure 9.

Figure 9: USG Bottleneck TA, Distribution of Pilot Year (2006) SOWs

Source: Office of the Global AIDS Coordinator

Almost one-third of the \$10.1 million available for the pilot year⁹⁸ was used for CCM capacity building (organizational development). There were almost equal requests among PFM, PSM, and M&E. Findings from the 16 CPAs conducted by SA2 showed clearly that there is large unmet demand for M&E, especially among SRs. In some cases, where local capacity exists, PRs are stepping in to fill this gap. However, it is clear that PRs are not necessarily able to form the link with global sources of M&E TA expertise, such as that available through the USG mechanism, and utilize country grant TA budgets to access this expertise.

The majority of current TA from global partners has focused on CCMs and PRs, with little benefit for the SRs who are the implementers, where grant performance effects are most likely to be seen.

⁹⁸ Fiscal years of the US government start 1 October; therefore, the majority of spending occurs in the following calendar year. Pilot funds available for FY2005 were mostly spent during 2006.

Communication between PRs and SRs is not always systematic, in particular with regard to performance and implementation bottlenecks. In some cases, PRs are not playing a supportive management role with regard to its SRs; SR respondents in the CPAs referred to PRs that kept information from them, or prevented them from having contact with CCMs or the Secretariat. More direct inclusion of SRs in the Global Fund's communications and oversight policies could address these barriers.

Thus, the means and emphases of Global Fund provision of TA to date present a mixed and uneven picture. The use of external consultants has been heavily biased to getting project proposals developed and submitted. Because of this, the value of TA in capacity building has almost certainly left much to be desired. The fact that there is recognition that the Global Fund's processes for proposal development encourage country ownership, demand-driven and country-led proposals, however, should afford significant opportunities for the better alignment of the provision of TA to the entire project cycle and to imbed such assistance within a larger framework of capacity strengthening and long-term sustainability.

4. Policy impediments to Technical Support

Key Finding: The Global Fund Board has yet to adequately clarify whether, to what extent, and within what framework, it will provide TA financing to partners at the global level. This is seriously impeding the work and the effectiveness of the Global Fund and, unless addressed and resolved as a matter of urgency, will prevent the realization of the stated goals for which the Global Fund was established. It is misleading to view this situation in terms only of the "unfunded mandate" of other international organizations. The issue must be approached as an essential component of an overall partnership strategy if goals with regard to the pandemics are to be realized.

Financing for global TA systems exhibits varying levels of stability. The USG bottleneck TA financing originates from the President's Emergency Plan for AIDS Relief (PEPFAR) funds, with five percent earmarked since fiscal year 2005. Despite these funds being committed to fight HIV/AIDS, they are also allocated to other disease areas through a variety of bi-lateral mechanisms, and sometimes to global partnerships (Table 12).

Table 12.: U.S. Government Funds Allocated for Global Fund Grant Technical Assistance (\$millions)

Partner Allocation	FY2005	FY2006	FY2007*
TOTAL	\$10.1	\$22.275	\$31.25
Bilateral TA	\$6.3	\$14.775	Not yet determined
Green Light Committee	\$2	\$0	\$1.5
Malaria Action Coalition	\$1	\$0	\$0
Stop TB Partnership	\$0.793	\$0	\$3
UNAIDS	\$0	\$1.5	\$0
UNAIDS TSF	\$0	\$3	\$0
Roll Back Malaria	\$0	\$3	\$0

*Total not yet approved for use by OGAC (January 2008)

The table shows that although the source of funds is stable, the actual amount can vary substantially, as can the allocation to partners. None of the external partners has received funds from this source each year.

Support to access Global Fund grants is costly. Technical partners have mobilized over \$64 million to support the grant application process for six rounds. In addition, UNAIDS estimates that approximately 50 percent of the level of effort of their country offices is directed to providing support to Global Fund grants.⁹⁹ There are also 55 M&E technical officers posted at UNAIDS country offices who support Global Fund grants.

The Global Fund does not have a clear and well-delineated policy on what it is prepared to provide for TA within inter-agency global level partnerships. The primary mechanism for accessing Global Fund TA financing is through the discretion of the countries in estimating budget lines for TA in the grant proposals. However, specific budgeting for TA in grant proposals has only been required since round 5.

Estimates of Round 7 grant TA budgets, for all recipient countries, amount to more \$69 million over the (potentially) five years of these grants, and \$35 million budgeted for TA in phase 1¹⁰⁰. The \$35 million represents only 3% of total Phase 1 funds approved by the Global Fund in round 7. As a share of the total budget, the AFRO region has budgeted the least for TA, while WPRO has budgeted the most (Table 13).

Table 13. Proportion of the total budget planned for technical support, by WHO region, Round 7

WHO region	Technical support as a share of the total grant budget
AFRO	2%
AMRO	3%
EMRO	2%
EURO	3%
SEARO	2%

⁹⁹ Interview conducted on 18 July 2007.

¹⁰⁰ Source: Global Fund Secretariat: Technical Support in Approved Round 7 Proposals: analysis by WHO region and by component. Undated Powerpoint presentation, received June 2008

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WPRO	7%
Total Phase 1	3%

Source: Global Fund Secretariat, "Technical Support in Approved Round 7 Proposals: analysis by WHO region and by component. Undated Powerpoint presentation

The range of TA budgets varies enormously, both as a share of total budget and in amount. The Secretariat's analysis of Round 7 HIV grants shows that TA can be up to 22% of the grant budget, or as little as 0.02%. Uganda, which received the largest HIV grant in round 7 (\$268.8 million), also budgeted the least for technical support (0.045 million, or 0.02%). The types of technical support specific in round 7 HIV grants were focused on M&E, PSM, management and capacity building of SRs, financial management, technical capacity building through training (which could also be a program activity), operation research and surveys, and quality assurance. These distributions show that there is little guidance from the Global Fund as to how technical support funds might best be estimated or programmed.

There is one precedent for Global Fund guidance regarding TA budgets in grants, regarding proposals with components to address multi-drug resistant TB (MDR-TB). The recent (2006) decision to require Global Fund recipients to procure second-line anti-TB drugs through Stop TB's Global Drug Facility placed additional burden on the technical quality assurance committee to review all MDR-TB components of Global Fund grant proposals, while also acknowledging the important role the GLC has played in ensuring the quality of MDR-TB programs. Stop TB negotiated for six months to reach an agreement for the Global Fund to instruct grant recipients to include costs of GLC review in grant proposals and budgets, at a flat rate of \$50,000 per grant per year. While this agreement represents a breakthrough in partnership agreements for clarifying responsibility for financial support of TA to Global Fund grants, it must be noted that Stop TB and the GLC felt that the six-month negotiations required to reach the agreement was in excess of expectations, considering the importance of rapidly addressing the global problems of MDR-TB and extensively drug-resistant TB (XDR-TB).

Aside from the country grant budgets, technical support partners of the Global Fund must seek funding from mostly the same global sources as the Global Fund, resulting in a financing situation that is potentially symbiotic, but also potentially competitive.

5. *Barriers to expenditure of Grant TA budgets*

Key Finding: Multiple barriers to effective expenditure of existing grant TA budgets exist at the country level, some of which are reinforced by current Global Fund policies, and the majority of which are left unaddressed.

The expenditure of grant TA budgets is not yet tracked systematically¹⁰¹ to allow for an assessment of actual expenditure rates. Findings from the 16 CPAs conducted by SA2 indicated that, by and large, these budgets are not being adequately used. This is of concern, because TA is absolutely necessary to increase the absorptive capacity of countries to implement grants. Global Fund Board members expressed concern that the slow expenditure of grant TA budgets has led to diversion of Global Fund monies to support TA through other mechanisms, even though the funds have been allocated to countries.

The issue at hand is that accessing the country grant TA budgets is problematic for both global and in-country partners, and the capacity needed in order to spend TA budgets effectively is limited at the country level. A whole host of factors combine to create barriers to the effective use of grant TA budgets, which are described in detail below.

There are multiple barriers to grant TA budgets being used. In some countries (Burkina Faso, Kenya, Zambia), CPA respondents were clear in stating that there was cultural resistance to asking for external TA, even if it were to be free. One PR felt that the TA budget was a kind of insurance policy that could be used if Phase 2 funding was not forthcoming. Another PR in another country feared that utilizing the TA budget would raise an alarm, and that the grant would come under greater scrutiny from the Secretariat. In another country, the PR communicated to the FPM that they could only release TA budgets if performance problems were identified externally, such as by the Global Fund. These types of barriers can only be addressed through clear communication from the Global Fund with all relevant parties, CCMs, PRs, and SRs, to reduce unfounded fears, resolve confusions, and address political tensions.

Another impediment to TA budgets being used at the country level has to do with national hiring and currency policies. If the government is the PR, some countries experience significant problems getting government monies “released,” especially if the TA is external. Some country policies forbid the use of

“Earlier, we were not aware of the provision of technical assistance support in GF. We thought that if we keep more budget for technical assistance, it may have adverse effect on the approval of grants. Hence, we used to keep very little budget for technical assistance. But later on we came to know that GF has significant emphasis on technical assistance to build local capacities. So we have proposed more provision for technical assistance in round 7.”
(Nepal)

“It’s not easy for Burkinabe to say that they need TA for something; they are not likely to ask for TA. Countries often have difficulty asking for TA due to strategic and philosophical reasons.”
(PR and CCM member respondent, Burkina Faso)

¹⁰¹ it is planned as part of the Secretariat’s new financial system

government funds to pay foreigners; some have national fees set so low that technical experts are not able to take on the jobs.

In eight of the 16 CPA countries, confusion about Global Fund policies and guidelines regarding TA has led to countries developing inappropriate TA budgets in proposals or to hesitation in requesting TA during grant implementation. For example, in Nepal, too little TA was budgeted for in an earlier round because of a belief that the Global Fund “would not fund TA”; a subsequent proposal application compensated for this after clarity of Global Fund policies was provided. This was repeated in Kenya, where the respondent worried that people were not aware that the Global Fund will now fund TA, because at first the message was that they would not. In Zambia, confusion over constantly changing procedures regarding TA prevents SRs and PRs from requesting support. In Haiti, there is confusion about the role of the PR in mobilizing TA, since the Global Fund has “reversed” its position from Round 1 to Round 5. In Malawi, a major HIV/AIDS SR was unaware that there are specific budgets in Global Fund grants for TA. Although Malawi is one of the five countries where UNAIDS is supporting the development of a comprehensive technical support plan for the Global Fund HIV/AIDS grants, this SR was not informed by the PR that TA funds were available in the budget.

6. *Country-level TA roles and responsibilities*

Consistently across the 16 countries in which CPAs were conducted, the SA2 teams found that respondents had great difficulty in identifying which partners had what roles in TA mobilization, despite asking specifically about key steps in the process.¹⁰² The lack of clarity about roles and responsibilities surrounding identification of TA needs continued to the PR and SR levels. This was partly due to the fact that, from the perspective of grant implementers, other partners were funding TA, and not the Global Fund, so many respondents did not consider the TA to be for Global Fund grant support.

Confusion at the country level

Different views on the optimal roles of different Global Fund structures in facilitating and providing TA were expressed by different types of respondents in Nepal. The quotes below are illustrative of one country, but similar patterns were found in other CPA countries.

- “The LFA, being the local counterparts, can play an important role in TA. But they should have the capacity to guide the PRs in technical issues.” MOH CCM member respondent
- “We would like to suggest that the LFAs should be made an important link for TA. In fact, they are involved in the entire process of the Global Fund, and still they are not able to provide support except in financial matter. The Global Fund should build the capacities of LFAs in providing technical support to the CCM, PR, and SRs.” Multilateral development partner respondent
- “The CCM can play a greater role in identifying the technical assistance needs and facilitating it.” MOH respondent
- the questions posed to them. Within a particular country, different respondents had di
- “The Global Fund Secretariat should facilitate the process for TA.” Multilateral development partner respondent

¹⁰² Guidelines and Tools for Data Collection in Country Partnership Assessments, The Global Fund Five-Year Evaluation, Study Area 2: Module 5. Macro International Inc., June 2007.

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More importantly, most respondents were simply confused about how TA for Global Fund grants could be and was mobilized, so they could not answer the questions posed to them. Within a particular country, different respondents had different ideas about what partners could take a lead role in facilitating TA: CCM, LFA, and Global Fund Secretariat. This was especially pronounced in Nepal (see text box), but it was also found in Uganda and Ethiopia, especially with regard to high expectations about the role that the LFA could play in providing and coordinating TA. Confusion about Global Fund guidelines on TA procurement was also widespread, with few implementers, especially SRs, either being aware of the guidelines or having seen them.

“Right now the CCM has nothing to do with TA. It is more a political structure than a facilitating body. The Global Fund should work some model where the CCM can play a more important role in ensuring the effectiveness of the programme through facilitation, monitoring, and technical support.” Nepal, MOH respondent

In only three of the 16 CPA countries, the CCM played a role in TA coordination, albeit mostly limited to TA procurement. In Nigeria, the new CCM formation stipulates that neither the CCM nor the Ministry of Finance can be bypassed when requesting TA. In Honduras, the CCM coordinates and leads TA for proposal development, but for implementation issues, the division of labor between the CCM and PR has not been defined. In Vietnam, all TA procurement is done through the CCM. In all of the other countries, CPA respondents were either not clear about the CCM’s role in TA coordination, or clearly stated that the CCM was a bottleneck or had no role to play, as it was a political body.

Global stakeholders and TA experts concurred that local capacity to identify TA needs are limited, particularly among smaller grassroots CSOs and other SRs. SA2 found that where communications between SRs and PRs is systematic and constructive, PRs often facilitate SRs in articulating TA needs and mobilizing support; however, this was also dependent on the capacity of the PR itself.

In-country TA mechanisms

In three of the 16 CPA countries (Cambodia, Honduras, and Peru), the PRs have taken a proactive approach to identifying the TA needs of SRs. In all three countries, mechanisms for regular communication between the PR and SRs have been set up. In all three countries, the PR has the capacity to provide TA to the SRs.

In Honduras, the CCM collaborates with the PR to identify TA needs. SRs in the past typically complained that they had no systematic way to communicate with the PR regarding their TA needs. The CCM, in collaboration with the PR, organized a forum with SRs to identify TA needs. This was the only instance in the 16 countries where the CCM had an active, defined role in TA needs identification.

Importantly, in all three of these countries, there is only PR for all Global Fund grants (the Ministry of Health [MOH] in Cambodia, the UN Development Programme [UNDP] in Honduras, Care in Peru). The PR, therefore, has a perspective over all the grants that is typically expected of the CCM; however, as the PR is not a partnership of diverse organizations, it can take rapid unilateral decisions regarding SR support and management. In other countries (such as Malawi and Uganda), Global Fund project management units have identified that local capacity to provide needed TA exists, but multiple PRs have meant that decision-making has been more complicated. A single PR for all Global Fund grants also

means that there is a natural focal point for TA needs identification and sourcing, which also has the means to access grant TA budgets; therefore, all three critical functions with regard to a system for TA mobilization exist in one organization, leading to effective country-level TA mobilization systems.

Another common problem identified by a variety of technical partners is that grant implementers usually do not recognize early enough that a problem exists; usually, it is the FPM or another development partner in country that identifies the problem earliest, and therefore is in the better position to mobilize TA to address the problem, but cannot necessarily convince the PR that TA budgets should be used for that purpose. Other technical partners recommend that TA planning be part of the proposal development process and a technical support plan be developed for the entire life cycle of the grant; while this may assist with monitoring the expenditure of the grant TA budgets, an overly rigid plan would not allow unanticipated TA needs to be met. Additionally, TA plans might work for future rounds, but would not address the TA planning needs for grants currently under implementation.

E. Conclusions

In most of the country contexts in which GF operates, TA is a critical component of development effectiveness. For TA to function well, however, it must be—

- Demand-driven
- Adequately and predictably financed
- Available in “real time”
- Of assured and consistent quality
- Adapted to the highly differentiated needs of different countries and entities within each country, from CCMs to the “lowest” implementation levels (SRs and SSRs)
- Embedded within larger frameworks and strategies aimed at building sustained capacity

The TA provisioning through the Global Fund’s partnership system falls considerably short of meeting these criteria. The CCM has taken a few tentative steps to improving national capacity through TA, but these steps have essentially centered on supporting effective grant proposals to deliver Global Fund finances to programs. The identified gaps in TA systems are of critical importance to the future success of Global Fund grants:

- Efforts to build national capacity through TA lack a framework for capacity strengthening and sustainability.
- A system of financing and incentives to support TA planning and provision of quality TA does not exist.
- The entities closer to program implementation (sub-recipients [SRs] and sub-sub-recipients [SSRs]) are also those most lacking in access to effective and timely TA.
- Confusion at the country level regarding roles and responsibilities for TA coordination is preventing the use of Grant TA budgets. While CCMs are tasked with TA coordination, they are generally not aware of this responsibility.
- Both CCMs and principal recipients (PRs) lack the capacity to manage TA effectively.

A systemic approach to TA is required. There is no shortage of TA funding for development¹⁰³ and Global Fund partners have taken steps to allocate funds to this function. There is, however, no overall system

¹⁰³ Technical assistance has, until recently, been approximately 30 percent of total ODA. As total ODA has grown since 2003, the proportion has declined to approximately 20 percent (Source: OECD-DAC statistics)

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that guides, rationalizes, finances, and quality-assures TA. Most global TA for development and most TA for Global Fund programs remain supply-driven. As shown in numerous studies, in addition to inefficiencies, this results in major failures of supply to meet demand effectively, including, in the case of the Global Fund, a problem of growing “unfunded mandates” among its partners, with the Global Fund assuming a classic “free rider” role.

VII. Health Systems Strengthening and System-wide Effects

A. Introduction

A health system has been broadly defined as consisting of “all the organizations, people, and actions whose primary intent is to promote, restore, or maintain health.”¹⁰⁴ Health systems are the primary means for achieving better health outcomes, which require coordinated functioning of the components that make up the system for delivering services. Strengthening this system, then, requires improving individual components as well as managing interactions among the components, in order to make progress with regard to health in sustainable, equitable, and high-quality ways. Health Systems Strengthening requires multi-disciplinary knowledge and actions, by both technical and political stakeholders.

The Global Fund, along with many other organizations and partnership arrangements, addresses health challenges by focusing on single or a selected number of diseases. Securing adequate funding and appropriate international responses to the most serious of pandemics are essential. By increasing the financing to expand the coverage of effective health interventions, the Global Fund is contributing to the most direct route for achieving health outcomes. At the same time, however, numerous studies across a wide range of countries leave no doubt that disease-specific responses focused on service provision alone will not prove to be sustainable or of sufficient health impact unless the underlying health systems supporting disease control programs are well-functioning. The World Bank’s recent health strategy makes this point emphatically:

“Strengthening health systems” may sound abstract and less important than specific-disease control technology or increased international financing to many people concerned about achieving HNP results. But, well-organized and sustainable health systems are necessary to achieve results. On the ground, in practical terms, it means putting together the right chain of events (financing, regulatory framework for private-public collaboration, governance, insurance, logistics, provider payment and incentive mechanisms, information, well-trained personnel, basic infrastructure, and supplies) to ensure equitable access to effective HNP interventions and a continuum of care to save and improve people’s lives (box 3). Strengthening health systems is not a result in itself. Success cannot be claimed until the right chain of events on the ground prevents avoidable deaths and extreme financial hardship due to illness because, without results, health system strengthening has no meaning. However, *without* health system strengthening, there will be no results¹⁰⁵.”

Realization and acceptance of this reality is producing important shifts in the basic architecture for international development and the policy instruments of donor agencies. Until very recently, for example, with the exception of the provision of essential drugs, the policy frameworks of almost all international donor agencies did not envisage or even allow for the financing of recurrent or operating costs of health systems. That is fast changing with sector wide approaches and partnership arrangements within national health strategies. Such systemic approaches are raising fundamental issues of how to sustain health systems, including the need to assure sufficient incentives and compensation for health sector workers. Several development agencies are now providing direct financial support for the salaries and benefits of

¹⁰⁴ WHO, *Everybody’s Business: Strengthening health systems to improve health outcomes*, 2007.

¹⁰⁵ *Healthy Development*. World Bank, 2007, pg. 14.

public sector health professionals. WHO members passed a resolution in 2004 agreeing “to establish mechanisms to mitigate the adverse impact on developing countries of the loss of health personnel through migration, including means for the receiving countries to support the strengthening of health systems, in particular human resources development, in the countries of origin”¹⁰⁶. More recently (November, 2007), many of the large international NGOs signed onto “The NGO Code of Conduct for Health Systems Strengthening” which specifies that: “...when in places of scarcity NGOs hire health staff already working in the public sector, NGOs pledge to do so only in coordination and with the consent of local health authorities, and in combination with a commitment to expand overall human resource capacity in the public sector through pre-service training, salary support, and/or other means. Governments and NGOs can work collaboratively to address the chronic underpayment of health workers in all sectors”¹⁰⁷.

These issues of sustainability and the shifts in development architecture that they have introduced have raised basic questions as to the role of the Global Fund in overall health systems. The Five-Year Evaluation was tasked specifically with assessing the effects, both intended and unintended, of the Global Fund grant resources on country health systems¹⁰⁸. To address this, SA2 first reviewed the Global Fund’s evolving approach to health systems strengthening to determine how Global Fund financing is most likely to be contributing to health systems. SA2 then collected primary data through the CPAs, interviewed global partners, reviewed findings from other external studies of systems effects of the Global Fund, as well as internal documents related to systems effects of the Global Fund. A separate focused study on procurement was also conducted (Annex XX). In addition, health systems capacity and its relation to grant performance were included in the quantitative analysis using the entire portfolio of grants¹⁰⁹.

Because only three HSS grants were funded in round 5, and only one CPA country had received such funding (Cambodia), SA2 focused on how disease-specific grants were making “diagonal” contributions to health systems.¹¹⁰ Thus, we attempted to come up with indications of the effects of specific components of Global Fund grants on health systems, including monitoring and evaluation systems, financial management systems, procurement systems, capacity building, human resource development, and additionality.

B. Summary of Findings

Global and country partners underscored consistently to the SA2 review that these factors of alignment and harmonization are the most critical keys to successful HSS. In this regard, the evaluation found clear evidence in support of this claim.

(Alignment and harmonization issues are discussed at length in the Global Fund Architecture section of this report).

¹⁰⁶ WHO Eighth Plenary Meeting, 22 May 2004.

¹⁰⁷ The NGO Code of Conduct for Health Systems Strengthening, November 27, 2007, page 2.

¹⁰⁸ n.b., the actual evaluation question, “What have been the effects, both intended and unintended, of the Global Fund grant resources on country health systems, including effects on sector financing (e.g., fungibility of other funding sources) and on human resource capacity?”, is similar to the single focus of a multi-year, multi-donor funded network of international and local researchers: System-wide Effects of the Fund (SWEF).

¹⁰⁹ Detailed results from this analysis re. health systems capacity are presented and discussed in the previous section, Grant Performance

¹¹⁰ An additional limitation was that health systems strategic actions were not identified prior to round 5, which were the majority of grants for which performance could be assessed in this evaluation.

Consistent with the findings of previous studies, such as those of the WHO Commission on Macroeconomics and Health¹¹¹, the evaluation also found that in some countries, the question is one of building, as well as strengthening, basic health systems; in others, it is also a matter of providing salary support for medical workers as an essential precondition to the provision of services¹¹²; in all, it is a matter of sustaining capacity building inputs and of improving service quality. If Global Fund partnerships are to provide sustainable, positive returns in these contexts, it will be imperative to ensure long-term strategic investment in health systems building and strengthening. This must be done in the context of the current available evidence, which suggests that the benefits of effective health delivery systems can never be entirely disease specific. This poses a fundamental policy dilemma and challenge to the partnership model of the Global Fund, and is a matter that should be accorded thorough strategic and policy attention by the Global Fund's Board.

This is not to suggest that the Global Fund has not been making positive contributions to HSS. Evidence from this evaluation indicates positive linkages between HSS and the Global Fund framework of requiring and catalyzing a focus on HSS as a component of its financing on disease-specific interventions. The magnitude of Global Fund financing coupled with its partnership model indicate, however, the potential for an especially strong leadership role in promoting the development of a financing framework for global HSS activities, based on a common HSS framework such as that developed by WHO. To the extent that the Global Fund decides to exercise this potential, it could contribute substantially to improving the overall architecture for international development by facilitating enhanced donor role and division of labor differentiation and improved coordination and harmonization of effort.

The Five-Year Evaluation found that the Global Fund's most significant contributions to systems strengthening, aside from financing and scale up of effective interventions, have been through its performance-based funding model. Its most definitive, and defining, contributions to HSS have been in terms of strengthening M&E and financial management systems. In addition, the Global Fund's inclusion of CSO, and to a more limited extent, the private for-profit sector, has further reinforced the shift in health systems from a previously exclusive focus on publicly-funded health programs, to a more comprehensive systems perspective. These contributions now need to be consolidated in order to increase their effectiveness, building on the current "diagonal" approach.

The Evaluation also found, however, that Global Fund contributions to health systems strengthening were consistently limited by unaligned and non-harmonized activities and systems. The guidance provided for proposals on HSS has evolved to reflect the emerging thinking of other key partners such as WHO as of Round 8, but the challenge remains that the capacity of the health programs themselves at country level are weak specifically in the area of design of HSS strategic actions. The effectiveness of Global Fund HSS financing can be adversely affected as a result, as HSS strategic actions are likely to suffer from poor design, weak M&E, and little harmonization with global HSS initiatives. Appropriate policy decisions and strategy development within the Global Fund and through appropriate and clear partnership arrangements for HSS at the country level can mitigate this risk.

¹¹¹ Macroeconomics and Health, WHO, 2001.

¹¹² See Medicines without Doctors: Why the Global Fund Must Fund Salaries of Health Workers to Expand AIDS Treatment, Gorik Ooms, Wim Van Damme, and Marleen Temmerman, <http://www.pubmedcentral.nih.gov/articlerender.fcgi?artid=1852123>

C. Recommendations: Health Systems Strengthening

17. It is recommended that the *partners in the global health architecture together clarify, as a matter of urgency, an operational global division of labor regarding the financing of and technical support to health systems strengthening.*

- 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. Achieving clarity on the global division of labor 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 labor 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 modeled 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

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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.

D. Summary of Evidence: Health Systems Strengthening and System-wide effects

1. *Global Fund financing of HSS to date*

Key Finding: The Global Fund has demonstrated a commitment to supporting health systems strengthening by developing increasingly focused guidance in this area since Round 5. Given the methodological challenges in attributing system changes to specific inputs, as reflected in the global weaknesses in M&E for HSS, the Global Fund guidelines presume a great deal of capacity for design and monitoring of HSS strategic actions at the country level. Even further development and operationalization of the “diagonal” approach to HSS funding that illustrates how countries can apply Global Fund grants would be a valuable for future rounds.

The Global Fund first formally recognized the explicit need for health systems financing by announcing in Round 5 that countries could submit proposals specifically for health systems strengthening. Partially due to the lackluster success of HSS components, (only three HSS components were approved, totaling \$38m, even though 32 HSS proposals were reviewed by the TRP¹¹³), it was decided instead to encourage inclusion of “health systems strengthening strategic actions” as activities in disease-specific proposals. This approach has met with greater success; \$363m worth of HSS strategic actions was funded in round 7.

However, it was also widely recognized that the round 7 approach was taken without sufficient guidance to countries on how to formulate health systems strategic actions. The TRP, in both rounds 6 and 7, recommended that the Global Fund clearly define the scope and extent of activities that it is willing to fund under the rubric of HSS activities^{114,115}. The Board’s recent decision in November 2007 (GF/B16/DP10) addressed this issue by stating that the Global Fund shall, while allowing broad flexibility, develop guidance, albeit with few prescriptions, regarding the categories of HSS actions that the GF recommends for consideration, as well as guidance on deciding which categories of HSS actions to apply for, and specification of any HSS categories that may not be financed by GF. A first step toward this guidance was reflected in the Guidelines for Round 8 funding, in which applicants are encouraged to review WHO’s six building blocks for

¹¹³ Round 5 TRP Report, 11th Board meeting, Geneva 28-30 September 2005: GF/B11/6

¹¹⁴ Round 6 TRP Report, 14th Board meeting, Guatemala City 31 Oct-3Nov2006: GF/B14/10

¹¹⁵ Round 7 TRP Report, 16th Board meeting, Kunming 12-13Nov2007: GF/B16/5 Revision 2

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health systems”¹¹⁶, and in which grantees are required to clearly articulate in their applications the specific WHO Building Block category to which their HSS intervention relates.¹¹⁷

¹¹⁶ Guidelines for Proposals—Round 8 (Single Country Applicants, p.43. Geneva, 1 March 2008.

¹¹⁷ Guidelines for Proposals—Round 8. Form 4.b.1 Geneva, 1 March 2008.

WHO Six Building Blocks for health Systems

The WHO HSS strategy identifies priorities by each of the six HSS building blocks, which map neatly against the HSS challenges faced by Global Fund grants during implementation:

- 1) Service delivery: packages; delivery models; infrastructure; management; safety and quality; demand for care
- 2) Health workforce: national policies and investment plans; advocacy; norms, standards, and data
- 3) Information: facility and population based information & surveillance systems; global standards; tools
- 4) Medical products, vaccines, & technologies: norms, standards, policies; reliable procurement; equitable access; quality assurance
- 5) Financing: national health financing policies; tools and data on health expenditures; costing
- 6) Leadership and governance: health sector policies; harmonization and alignment; oversight and regulation.

In framing the HSS guidelines for countries for future rounds, the guidelines for HSS support that the GAVI Alliance has developed, with the input of previous country applicants, in March 2007, also provide a useful reference¹¹⁸. GAVI Alliance has identified three well-defined areas (Health workforce, organization and management of health services, and supply, distribution and maintenance systems) which its HSS funding window will support, and provides illustrative examples of the types of activities that fall under each area. At the same time, GAVI Alliance is explicit about the fact that these areas are not considered mutually exclusive, and that HSS funding cannot be used to purchase vaccines, although it can be used to finance both capital and recurrent costs that increase system capacity. In addition, the guidelines describe how GAVI HSS funding differs from GAVI ISS funding. Specific guidance along these lines would be useful additions to grant application guidelines.

WHO has gone further and articulated a “diagonal” approach to HSS¹¹⁹ for disease-specific financing, such as the Global Fund:

- Take the desired disease control outcomes as the starting point for identifying the health systems constraints that prevent effective scaling up of services
- Address the bottlenecks in such a way that system-wide effects are achieved, also benefiting other programs
- Primarily address health systems policy, delivery, and capacity issues
- Do not invest in specific and isolated health systems plans (possible exception in cases of infrastructure and human resources).

However, this level of HSS guidance does not appear to be part of the Round 8 guidelines, even as a reference. Without explicit guidance on the boundaries of HSS financing, and guidance on

¹¹⁸ Revised Guidelines for: GAVI Alliance Health System Strengthening (HSS) Applications, March 2007. http://www.gavialliance.org/resources/HSS_Guidelines_2007.pdf

¹¹⁹ “Health systems strengthening – Why and how?” WHO, Health Systems and Services. Powerpoint presentation by Anders Nordstrom, posted 2 October 2007.

how the disease-specific strategic actions map against global HSS frameworks, the Global Fund risks that it invests in badly designed programs, poor M&E systems for HSS, and ineffective HSS activities. At best, this silence on the part of the Global Fund may cause greater confusion at the country level; at worst, it may contribute to HSS activities that undermine the harmonization efforts of global HSS initiatives.

2. *HSS challenges to Global Fund Grant Implementation*

From the Global Fund perspective, the logical insight to HSS challenges is through the lens of grant implementation bottlenecks. What have the bottlenecks been? Are they being adequately addressed through Global Fund grants? Based on a survey of all countries that had received HIV/AIDS funding in Rounds 1 through 3, the Joint UN Programme on HIV/AIDS (UNAIDS) found common systemic bottlenecks in CCM capacity, procurement and supply management, M&E, and program and finance management (Table 14).

Little has changed since then. According to the most recent editions of the UNAIDS report, the Global Plan to Stop TB, and the World malaria report, the common health systems-related key challenges to scale up services to address the three diseases still stem from the same areas: inadequate financing; crisis in human resources; drug issues such as quality, efficacy, and affordability; and accountability issues, including inadequate information systems and M&E capacity.

Table 14: Common Health Systems Barriers to achieving impact on the three diseases

Key challenge to scaling-up	HIV/AIDS	TB	Malaria	GF grant implementation
Inadequate financing	X	X	X	
HR crisis	X	X		X
Affordable commodities	X			
Accountability	X			X
Partnership alignment		X		X
Drug efficacy			X	
Laboratory capacity		X		
Quality drugs		X		
Information systems			X	
M&E			X	X
Community-based services				

Sources: UNAIDS, Stop TB, RBM

The need for the Global Fund to continue to invest in HSS-specific activities is clear, whether they are called HSS strategic actions or simply address implementation bottlenecks. The largest returns to grant performance, from the above analyses, are likely to be made from

strengthening systems related to information, financial oversight, drugs, human resources, and management and oversight capacity.

3. *Monitoring and Evaluation (M&E) Systems*

Key finding: The GF model has placed value on and has invested in improving M&E systems at the country level; the focus that PBF has brought to M&E capacity has exposed existing weaknesses and increased the potential for M&E systems strengthening and capacity building. However, without further alignment and harmonization of M&E systems, the contribution to HSS is limited.

The 16 CPAs conducted by SA2 show mixed results with M&E strengthening, which is largely driven by requirements of the Global Fund's PBF model. There was consistency among respondents in the 16 CPA countries that the Global Fund's PBF model has increased awareness of M&E needs, and provided an impetus for strengthening M&E capacity. However, M&E systems for Global Fund grants were often separate from other existing systems, limiting the contribution that these improved M&E systems could make to overall health information systems strengthening.

Varying M&E Alignment

HIV indicators and M&E have been harmonized and aligned to a great extent. (Vietnam)

Global Fund indicators are aligned according to the national strategic plan. (Zambia)

The Global Fund M&E system is separated from the national programs' M&E. Standardization of the indicators would also help the Global Fund process. (Cambodia)

No adequate alignment is there of systems on M&E. (Malawi)

Given that other programs are not as demanding and detailed in their reporting, this has led to the creation of a parallel reporting system. (Yemen)

In most of the 16 CPA countries, variable forms of Performance-Based Funding were already in place in many donor-funded programs. This made it easier for implementers to rapidly jump in and adapt to the Global Fund requirements. Reaching planned targets was sometimes felt to be a motivating challenge, as in Cambodia where respondents reported being proud of achieving high level international standards. In Nigeria, PBF was described as *"the best thing that has happened"* as it *"promotes country ownership more than any other model"*. Further, the Global Fund's flexibility in reprogramming targets or reallocating grants was highly appreciated – especially in Vietnam – leading to an overall feeling that grant implementation was fully country-driven. Although CPA respondents, particularly smaller SRs, frequently stated that the burden of Global Fund M&E requirements (as part of the PBF model) is significant, there was also consistent appreciation of the focus that the PBF approach puts on accountability and producing results.

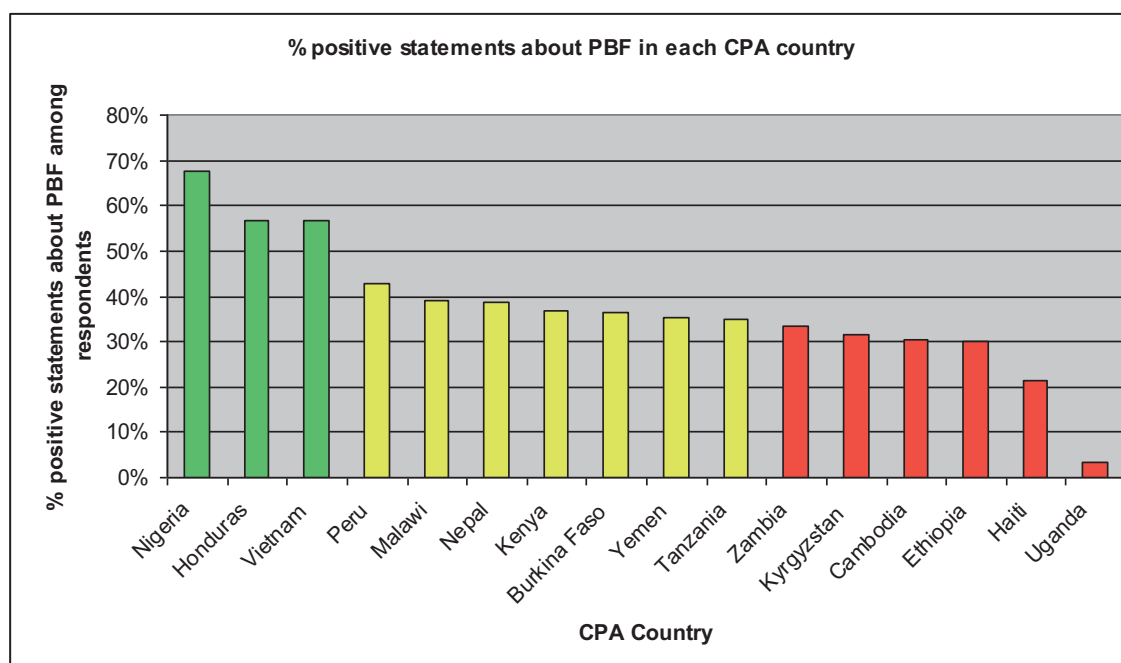
A cross-section of implementers (PRs and SRs) was interviewed in each CPA country. Their opinions were solicited about the utility, validity, and feasibility of PBF data; its alignment with country systems; and its effects on capacity. The responses of 79 key informants across the 16 CPA countries, mainly implementers (PRs and SRs) were grouped as either positive (e.g., PBF has

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increased capacity”) or negative (e.g., “PBF is too rigid”). Opinions that were neutral (e.g., “PBF is a new system for us”) were excluded. Figure 10 shows the percentage, among all implementers interviewed in each CPA country, of positive responses. The CPA countries fall into three broad categories:

- Predominantly positive (green bars)
- Slightly negative (yellow bars)
- Overwhelmingly negative (red bars; negative outweighed positive by a greater than 2:1 ratio)

Figure 10: Grant implementers’ responses regarding the Global Fund model of PBF, by country



The most common positive statements about PBF focused on how the system keeps implementers focused on results; increases accountability and transparency; and has increased the capacity of implementers for reporting. Negative statements about the Global Fund’s model of PBF tended to focus on the inflexibility of the reporting requirements, its complexity and burden, and the perception that these have contributed to disbursement delays that have hindered quality implementation.

There is no easy explanation for the balance of opinions about PBF. This is likely due to the complex interaction of several different factors. For instance, PBF is appreciated in Nigeria and Honduras because it increases transparency. This is understandable, given that both countries have perennially had difficulties across sectors with transparency, as reflected in Transparency International’s Perception of Corruption Index country rankings¹²⁰. On the other hand, Haiti has also had the same sort of difficulties historically, and yet respondents were very negative about

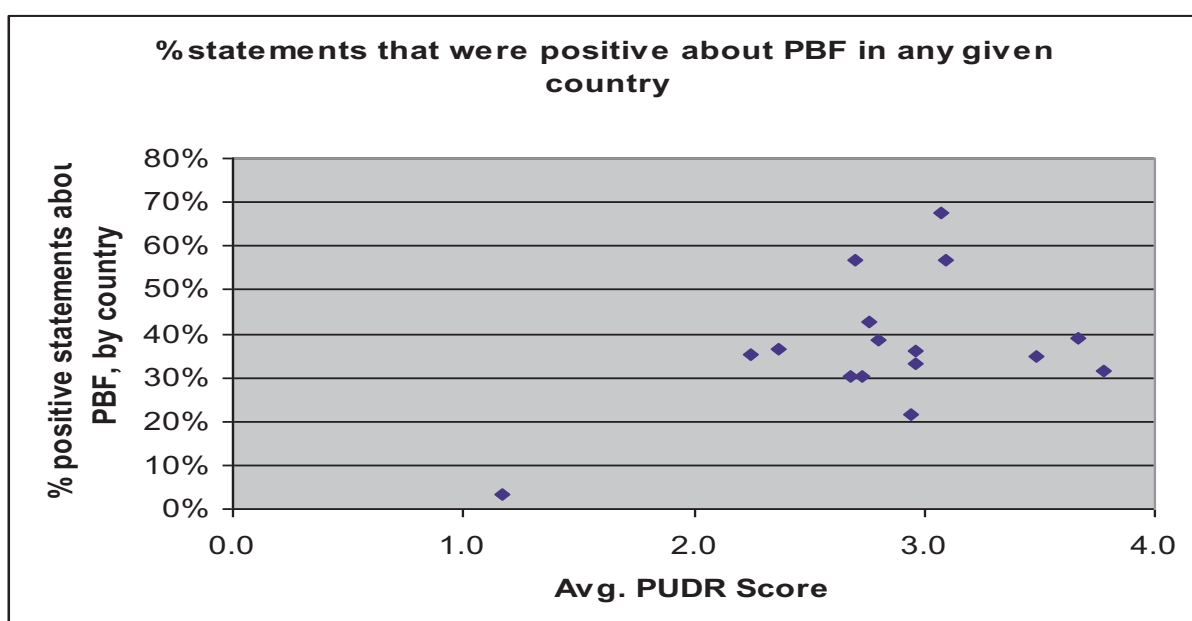
¹²⁰ http://www.transparency.org/policy_research/surveys_indices/cpi

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PBF, particularly about the rigidity of the system. The constellation of opinions also is clearly dependent other variables, such as the way that PBF has been implemented in the country.

However, SA2 did not find correlation between grant performance and CPA respondents' perspective of the Global Fund's PBF model that would support a possible explanation that CPA respondents simply responded negatively to poor performance scores by being critical of the assessment method. A scatter plot (Figure 11) of average PUDR score by country and positive statements about PBF shows little correlation (correlation coefficient = 0.16). Even within the seven CPA countries whose average CPA scores are nearly identical (clustering from 2.8 to 3.2), there is a wide range of opinion about the merits of PBF (12% to 68% positive opinions).

Figure 11: Distribution of positive statements about PBF



In addition, grant implementers in the 16 CPA countries were asked about their experience with collecting, analyzing, and reporting PBF data, and to assess the estimated burden. The different tasks associated with PBF were disaggregated (financial reporting, M&E, administration, and PUDR reports), and ranked on a 1-to-3 scale, where 1 represented "less than expected," 2 "about the amount of time expected," and 3 represented "too much time." On average, CPA respondents felt that the Global Fund's PBF requirements took "about the amount of time expected." However, this average masks significant variability among countries. This points to the fact that while many find PBF burdensome, there are those who do not, indicating that there are positive examples of how to implement the system in a way that is not onerous. The Secretariat should study these potential examples in more depth (e.g., Malawi, Nigeria, Vietnam). Despite these findings, in the LAC region, Study Area 2 had the opportunity to progressively probe the initial finding that the Global Fund's PBF model was more burdensome than others.

LAC Case studies to Quantify the PBF Burden

In all three LAC CPA countries (Haiti, Honduras, Peru), many implementers expressed the opinion that while PBF is a good idea in theory, it requires a burdensome amount of time and effort. The LAC CPA teams collected progressively more in-depth information on PBF burden in Honduras and Haiti after the initial work in Peru that identified a potential problem with the burden of the Global Fund's PBF model.

In Honduras, the SA2 team consulted with the CCM evaluation team working simultaneously and found that they had also uncovered similar impressions among SRs concerning PBF. The CCM Evaluation team agreed to collect additional information from an NGO SR about PBF burden. This SR has several full-time staff devoted to its activities and also manages SSRs. The director of the organization was asked to quantify the amount of time that all its staff members collectively devote to the requirements of PBF—that is, collecting, analyzing, and reporting M&E and financial data. PBF activities were reported to have consistently required almost two of every 5 days of all staff time (i.e., 35-40%).

In Haiti, a similar inquiry was made with an experienced NGO SR. The director of their GF activities was asked to quantify the amount of staff time devoted to PBF activities, across all staff at both the Port-au-Prince headquarters and all field sites. This SR has had experience in all three disease components (i.e., HIV/AIDS, TB, and malaria). As a benchmark this NGO was asked to compare to the most reporting-intensive non-GF grant they had experienced. Since staff had typically devoted 25 percent time to fulfill the reporting requirements for the most reporting intensive non-GF grant, the management of this NGO initially directed its entire GF staff to devote a similar proportion of time for PBF reporting. The SA2 team was told that that it has been a common ongoing complaint of many staff members, both in HQ and field sites that they often are unable to complete their reporting tasks in the 25 percent time allotted. They often, therefore, need to devote nights and weekends to complete the work required for PBF. They agreed that it would not be an unreasonable estimate to say that this NGO's staff devotes 30 to 35 percent of their time to tracking information to be reported for PBF.

4. *Financial management systems*

Key finding: The focus on financial management has strengthened the capacity of individual organizations, but not overall systems—without alignment and harmonization, this will not happen.

In nine of the 16 CPA countries, there was a consistent finding that Global Fund financial requirements were different from other donors' and from national requirements and reporting systems, and that these systems had only been partially aligned, if at all. CPA respondents in general praised the high standards of transparency and accountability that came with Global Fund financing, even when they felt that the burden of meeting these standards was high. However, it was also clear that these standards were not necessarily part of grant implementing organizations' overall financial management systems, only those needed for the Global Fund.

Alignment of financial reporting

Better harmonization and alignment with programmatic activities and technical priorities than with administrative and financial processes. (Burkina Faso)

Alignment of Global Fund country systems has been reported mainly with financial management. (Ethiopia)

Global Fund reporting seems almost to have become the de facto country reporting policies. (Haiti)

The Global Fund-required linked financial and program reporting is not common. Although the Global Fund talks about the need to harmonize with local structures, new parallel systems had to be established. (Kenya)

The Global Fund was administered and implemented separately from the SWAp mechanism, creating parallel systems for financial management. (Kyrgyzstan)

Global Fund activities seem not to yet be well aligned with government planning, budgeting, or fiscal cycles. (Tanzania)

A review of a sample of disbursement delays in the 16 CPA counties showed that the vast majority of disbursement delays are due to late, incomplete, or incorrect report submissions, which reflect either limited staff/management capabilities or strained human resources at the SR, PR, LFA, and GF Secretariat levels; i.e., the bottlenecks are “internal” to the Global Fund’s model.

The quarterly financial reporting required by the current PBF model placed considerable strain on implementers at all levels. Government PRs and SRs had trouble fulfilling this requirement because national fiscal systems rarely generated quarterly reports at the same time as program reporting was done. When the Global Fund grant fiscal cycle did not synchronize with national or organizational fiscal cycles, this was even more of a problem. CPA respondents identified the non-synchronous start dates of Global Fund grants and the irregularity of disbursements as barriers to integrating with other financial management systems. This limits the potential contribution that the Global Fund could make to strengthening health financial management systems, by instituting consistently high standards of transparency.

The Global Fund resource flow is outside of public budgetary and expenditure management, and thus not subject to established public financial monitoring and control mechanisms. Kyrgyzstan

However, grant implementers in the 16 CPA countries also felt that the PBF system often over-emphasized financial reporting; this, in combination with the pressures that implementers felt because of the frequency and complexity of performance reporting, led some grant implementers to express that they felt forced to focus on accounting and quantity of outputs rather than on quality of services and programs. In nine of the 16 CPA countries, a majority of implementers reported experiencing this dilemma¹²¹.

¹²¹ see Grant Oversight Capacity section of this report

5. *Procurement and Supply Management (PSM) systems*

Approximately 48 percent¹²² of Global Fund finances are being spent on the procurement of health products, in particular drugs. Therefore, the Five-Year Evaluation Team approached the topic of procurement as a “case study” of whether the structures of the Secretariat and the partnership arrangements in-country were sufficiently efficient and effective in facilitating one of the key processes necessary to grant performance. The full report on procurement is presented in Annex 9; findings specific to strengthening of procurement systems are presented below.

Key Findings:

- Global Fund grants are more likely to be creating parallel systems for procurement than strengthening PRs’ or countries’ existing PSM systems.
- The GF’s procurement oversight standards are less rigorous than those of other donors or of some GF grant recipients themselves. There is therefore a precedent for the GF to adopt more systematic and thorough standards of PSM oversight, including regular procurement audits.
- The partnership system around procurement seems immature, with a lack of trust and mutual ownership between PRs and partners that limits effective PSM collaboration in the fight against the three diseases.

CPAs found that the rigorous performance-based funding requirements of the Global Fund, in particular the short time frames, have prompted countries to simply outsource PSM to procurement agents in the interest of time. While outsourcing is not inherently contradictory to the Global Fund’s principle of country ownership (as countries may select their own procurement agents), this finding suggests that Global Fund grants are most likely creating parallel systems for procurement rather than strengthening PRs’ or countries’ own PSM capacity. The procurement study also revealed that using a procurement agent is no guarantee of avoiding procurement bottlenecks. Therefore, the Global Fund grants and the associated PBF model may be directing PRs into a “lose-lose” situation, with neither short-term avoidance of procurement bottlenecks nor long-term PSM system strengthening.

“In the quest for chasing targets, the quality of services has suffered a lot. We feel that in the Global Fund model, the quality aspect is missing day by day.” (Nepal)

Respondents in Honduras reported that the quality of service suffers because implementers are rushing to meet quantitative targets.

“When the Fund-supported projects are driven by the desire to meet the targets that are quantitative, the quality is overlooked very often” (Kyrgyzstan)

In all the 16 CPA countries, existing procurement systems meet higher quality and transparency standards than those of the Global Fund. Numerous other donors were found to require Global Fund grant recipients to meet more rigorous procurement reporting standards than what the

¹²² Bakker, Guido. 2007. A Weak Link in the Chain: Improving Global Fund Grant Performance by Strengthening Procurement and Supply Management. Washington, DC: Global AIDS Alliance. 5.

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Fund requires, including undergoing regular procurement audits. In some cases, the PRs' own internal procurement policies are in fact more rigorous and specific than what is required by the Global Fund. This suggests that the Global Fund has room to improve its oversight of PR procurement processes without imposing an additional reporting burden, if new requirements are harmonized with other donors' and PRs' existing policies. At minimum, the Global Fund should commit to meeting internationally accepted standards for procurement (Table 15). Failure to increase oversight standards for PSM (in the name of efficiency or country ownership) may put the Global Funds's investments at risk, raise concerns among contributors to the Global Fund, or expose the Global Fund to problems of misuse of funds.

Table 15: Internationally recognized steps for effective procurement¹²³

Internationally recognized steps for effective procurement	GF Requirement?¹²⁴
▪ Assessment and project planning to include forecasting for procurement.	Yes
▪ Determination of procurement methods (ICB, LIB, NCB, etc.) based on the volume of the procurement and number of suppliers.	No
▪ Development of Standard Bidding Documents to include Technical Specifications in line with International Requirements such as WHO GMP, WHOPES, FDA, etc. Technical assistance for procurement staff and/or consultants should be utilized.	No
▪ Publication of the Specific Procurement Notice in a national and/or international publication and UN Development Business to ensure that suppliers are informed of the intent to procure and to increase competition for contracts above the ICB threshold. (This is not required in the case of Limited International Bids where suppliers are invited to participate in the bidding process).	No
▪ Bid Evaluation and Contract Award should only be made to the lowest evaluated compliant bidder.	Yes
▪ A prior review by the donor agency should be mandated based on pre-determined threshold levels.	No
▪ Pre- and Post- shipment inspections should be carried out to ensure the quality of the procured drug and/or commodity.	Yes (but implementation varies by grant)
▪ All documents relating to the procurement - protests, letters to potential suppliers, bids, Bid Evaluation Reports, Receipts, and proof of delivery - should be kept for yearly procurement audits.	Yes (but implementation varies by grant)
▪ Annual procurement-specific audits should be conducted.	No

Though not universal, in most of the 16 CPA countries development partners are coordinating with PRs about what and how to procure and distribute. However, partners' motivation for engaging with PRs around procurement issues appears to be for avoiding duplication or

¹²³ Processes outlined in this table are drawn from a review of processes considered to be the "gold standards" for use in international competitive bidding, including the World Bank Standard Bidding Documents for the Procurement of Goods (May 2007) and the World Bank Standard Bidding Documents for the Procurement of Goods (May 2007).

¹²⁴ Guide to the Global Fund's Policies on Procurement and Supply Management. November 2006.
http://www.theglobalfund.org/pdf/guidelines/pp_guidelines_procurement_supplymanagement_en.pdf

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encroachment relative to their own programs, rather than a desire to see the Global Fund grant succeed. Evidence from the 16 CPAs suggests that PRs may also be reluctant to reveal PSM problems they encounter to partners, which impedes partner assistance in resolving these issues. As the CPAs also found that the Global Fund has in almost no instances provided assistance or guidance for solving procurement problems, this means that PRs may not be getting the assistance they need, further risking disbursement delays.

A review of a sample of procurement tenders showed that most procurement delays result from limitations in trained staff or management, in addition to bureaucratic procedures imposed by or on the PR. Addressing these constraints could lead to significant improvement in PSM systems performance and allow better responses to exogenous variables like price changes or a limited number of suppliers.

The Global Fund grant put the ARV price issue on the agenda in Peru

In Peru, the PR initially bought only name-brand antiretroviral (ARV) drugs from a few sources such as the Inter-America Development Bank (IDA) or the United Nations Children's Fund (UNICEF). However the dramatic increase in funding for ARVs from GF prompted the PR and the CCM to investigate generic suppliers on the "open market" to maximize the quantity of drugs procured using GF grant funds. The PR identified less expensive drugs produced in India and negotiated with the targeted firm to provide the drugs. The PR then worked with GF to get the generic supplier upgraded on GF's prequalified list. Purchasing from this generic supplier enabled the PR to increase the quantity of drugs procured while remaining within budget.

While this approach was applauded by the Ministry of Health, it raised concern among large multinational pharmaceutical manufacturers, leading to a public debate on the bio equivalency of generic and name-brand drugs. The issue of bio equivalency was resolved when tests were conducted by an independent lab in Spain and the generic drugs were deemed equivalent to the brand-name drugs. Observing the success of the PR with this approach, the Ministry of Health and Central Medical Store have also begun to purchase generic drugs with non-GF funds.

Although the impetus for switching to generic suppliers came from in-country partners and was independent of GF program requirements, the large amount of funding flowing through GF grants put the issue of ARV prices on the agenda. The CCM provided a participatory way for many stakeholders to be involved in the decision to move to generic suppliers, which has now created spillover effects for more cost-effective procurement beyond GF grants. And while GF policies did not per se encourage the PR to pursue generic suppliers, the policies were flexible enough to allow this change, including the prequalification of the generic supplier.

The Global Fund is “hands off” on price negotiation but in Nigeria partners are stepping in to help

“In Nigeria, the Global Fund was seen to be “hands off” on price negotiation. In the words of one respondent, “The Fund has no role and [they] do not interfere as they trust their clients” However organizations involved in procurement under Global Fund grants have benefited from prices negotiated by other partners, especially the WHO and the Clinton HIV/AIDS Initiative (CHAI), which they use to cross check bids received. Most organizations conducting procurement using GF grant funds utilize the pre-established internationally negotiated pricing for HIV and malaria commodities in order to keep cost down and achieve economies of scale.

The process for negotiating prices depends upon the disease. In HIV/AIDS, most PRs and procurement agents compare bid prices with the established CHAI price ceilings. This has produced large savings for Global Fund- supported programs relative to HIV/AIDS programs funded by other donors like U.S. Agency for International Development (USAID) and PEPFAR. For example, one organization was using Global Fund money to purchase test kits at US\$0.65 per kit through CHAI negotiated prices while PEPFAR was paying approximately US\$1.30 per kit. The malaria grants normally utilize WHO pre-negotiated pricing on ACTs, although CHAI is interested in assisting to further reduce prices.

While the bulk of the price reductions have been due to agreements negotiated by other global health partners, The Global Fund was still perceived to have provided opportunities to recipient organizations to build their price negotiation capacity. When asked whether receiving a Global Fund grant had given him access to better prices, one respondent said, “It is a very strong process and has taught the organization how to negotiate better prices. The organization has learned that markets should not dictate prices and negotiation should.”

Reference: Nigeria CPA interviews, PR and government respondents

6. *Human resources development*

Key findings: The Global Fund and grants financed by the Global Fund lack a strategic perspective on human resource needs or capacity building. Short-term project funding, such as that available through GF grants, create a difficult context through which to address human resource capacity building.

Interviews conducted by the Five-Year Evaluation with global partners and CPA respondents clearly identified that HRD planning, and TA assistance to support HRD, currently are almost completely lacking at the country level, certainly for Global Fund grants, but also for many health sector strategies. These SA2 findings are similar to what was found by an in-depth review of 35 Global Fund proposals from five African countries (Ethiopia, Ghana, Kenya, Malawi, and Tanzania)¹²⁵, which showed that countries focus on short-term, in-service training in their human resources components, without linking to any coordinated national training plan. The same review showed that recruitment using Global Fund grants was primarily for program management staff: administrators, accountants, procurement and logistics experts, or similar positions—with little long-term perspective on maintaining these positions.

SA2 also found that in many of the 16 CPA countries, government grant recipients are often prohibited from using project funds to create new staff positions. Cambodia is a notable

¹²⁵ Drager S, et al. “Health workforce issues and the Global Fund to Fight AIDS, Tuberculosis and Malaria: an analytical review.” Human Resources for Health: 24 August 2006. <http://www.human-resources-health.com/content/4/1/23>

exception, where the government PR used grant budgets to support a team of M&E, Procurement, and Financial Management experts in the project management unit, who make regular field monitoring visits to SRs on all grants for the purposes of providing informal TA and ensuring data quality.

In the 16 CPA countries, the evidence shows that CSOs often bypass inclusion of needed additional staff when preparing proposals in order to remain competitive, especially when the identified staff needs are for management or administration, which increase the administrative costs associated with the proposal, considered to make it weaker. This was found to be the case particularly with M&E staff, which is categorized as an administrative cost, and posed a particular problem for SR CSOs, which have had to re-allocate more staff than larger organizations to meet the Global Fund's PBF requirements, all the while feeling constrained in funding new staff using grant budgets.

Respondents in the 16 CPA countries identified additional limitations with GF grants contributions to human resources development. All grant recipients in the CPAs felt pressured by the short time lines of Global Fund grants, PRs, SRs, and SSRs alike. In Cambodia, CPA respondents stated that the rapid and strict deadlines for GF activities prevent systematic planning, for example for TA. This promotes a focus on getting work done to meet deadlines, rather than building capacity—there was a fear that Global Fund grant recipients at all levels were sacrificing capacity for products¹²⁶. CPA respondents and global stakeholders also recognized that Global Fund grants present an opportunity to start down the right path with developing HRD plans, but many felt that the short time frames, especially with regard to phase 2 assessments and continuity of funding, functioned to inhibit the long-term vision that is needed to develop HRD plans.

“Being completely output-oriented has reduced the Global Fund program to deliverables, rather than sustained delivery.” Nigeria CPA respondent

There was a consistent call for more investment and the development of a clear strategy in local capacity building on the part of GF, especially in the field of human resources development. In the majority of the 16 CPA countries, lack of technical and structural capacity at the country level was identified as the main barrier to real ownership of the Global Fund work.

It was also frequently reported in the 16 CPAs that true engagement in HRD and capacity building at the country level was hampered by the unpredictability that many grant recipients feel characterizes the Global Fund's performance-based model. Informants in the 16 CPA countries identified four levels of uncertainty associated with GF grants:

1. Will the proposal be funded?
2. If funded, how much money will be disbursed?
3. If funded, when will it be disbursed?
4. Will Phase 2 be funded?

¹²⁶ Cambodia CPA Module 3 and 5 reports

Due to this uncertainty, some disease control program managers (e.g., Nigeria and Uganda) did not include Global Fund resources in their long-term plans, which were based on funding sources perceived to be more predictable, such as PEPFAR. CPA respondents who characterized the availability of funds as erratic and those who experienced slowness of disbursement over the grant cycle also considered these as major barriers to long-term implementation planning and effective human resources development.

Furthermore, CPA respondents pointed to a perceived increase in the complexity of procedures that has led to confusion, misunderstanding, and difficulty to manage grants at the country level and has forced reliance on external specialists, with a corresponding decrease in the sense of ownership. Most grant recipients in the 16 CPA countries associated this with a lack of commitment to local capacity building on the part of the Global Fund.

The disproportionate increase in salaries often associated with staff funded through Global Fund grants has been identified as a major de-stabilizer in the balance between the public and private sectors, and among different public health programs. As more and more NGOs are able to access funds through Global Fund grants (especially after the dual-track financing decision in Round 7), the non-profit private sector has increased its ability to draw qualified staff from the lower paying public sector. Similarly, the three diseases have become more attractive to government staff, sometimes prompting transfers from other programs and divisions. SA2 found

Much more money is there for HIV [through the Global Fund], therefore senior staff would leave MCH and go to work on HIV. Cambodia

The Global Fund funds in country strengthened the HIV, TB, and malaria side of the health sector and weakened others by diversion of medical staff to NGOs with higher salaries offered via the Global Fund. Kyrgyzstan

some evidence of this in the 16 CPA countries, in particular in Burkina Faso, Cambodia and Kyrgyzstan. On the other hand, in one of the CPA countries, Malawi, the Global Fund's financing has had a positive synergistic effect; the salary increases in only part of the health system, due to the Global Fund grants, prompted the government to increase salaries across the board, in order to ensure that the system would hold. In this case, GF prompted a long-needed reform of health sector salaries. However, this has not been the case in the rest of the 16 CPA countries.

Increased distribution of funds to SRs and SSRs means that a large number of organizations, and their accompanying human resource policies, must be taken into account from a grant performance and implementation perspective. However, national strategies can provide the opportunity for the development of comprehensive HRD plans to support the achievement of disease-specific targets and objectives, which can be allocated among the PRs, SRs, and SSRs.

Previous literature¹²⁷ postulates that global health partnerships (GHPs) in general do not adequately manage human resources for partnering approaches, and that "there is a serious risk that weak human resource and systems capacity at central and local levels may be overwhelmed by the proliferation of multiple GHPs (and other HIV/AIDS initiatives), each with its separate

¹²⁷ Buse and Harmer (2007)

demands.”¹²⁸ The Global Fund seems to fit well into this description. SA2 findings on the importance of health systems capacity for grant performance¹²⁹ are supported by findings from recent studies showing evidence of a direct and positive causal link between numbers of health workers and health outcomes, pointing to the urgency of the human resources for health crisis. As 14 of the 16 CPA countries were categorized by WHO in 2006 as having critical shortages of health workers in the context of high burden in one or more of the three diseases, the findings of the Five-Year Evaluation with regard to human resources must be placed squarely within the context of the global human resources for health crisis.

7. *Capacity Building*

The capacity building evidence for M&E through the PBF model was quite strong across the CPA countries, albeit with heterogeneity within each country. For example, in Cambodia, respondents held the view that PBF was enhancing the country’s program management skills, but that this was mainly at the PR level, while PBF was preventing local SR capacity building because of its frequent reporting requirements. Peru was an opposite case, where PBF was felt to have increased the capacity of the SRs and the sub-sub-recipients (SSRs) for implementing program activities, especially at the grassroots level. In both countries, the PRs have undertaken to build SR capacity, particularly with regard to M&E¹³⁰.

The issue of SR and civil society organization (CSO) capacity to fulfill all M&E requirements was of concern, both to PRs and SRs. In Tanzania, it was felt that PBF was too demanding, and that most CSOs did not have capacity to meet PBF requirements. The sustainability of PBF was questioned in Nigeria because of limited in-country capacity at the implementation level.

The lack of capacity for M&E has led to significant expressed demand for TA in this area. . In nine of the 16 countries, the top TA need identified was for M&E. Global partners have responded to this demand-- in 2006, 22 percent of U.S. Government (USG) bottleneck TA was used for M&E TA. However, this TA has been received mainly by CCMs and PRs; the real gap is at the SR implementation level, where in some cases, PRs have been filling part of the gap in meeting demand for M&E support¹³¹.

Technical assistance to build capacity has been a key feature of Global Fund grants¹³². Data from the 16 CPAs and global stakeholders show that, aside from proposal development, TA to Global Fund grantees is most often provided for systems development: M&E, financial management, procurement, and CCM capacity building. However, the link between these TA inputs and their capacity-building contribution was not clear from the CPA data, as information regarding the quality of TA was not available in most cases. Overall, there was more capacity-building evidence for TA that targeted improving or strengthening systems, such as financing, PSM and M&E, as well as CCM capacity building, than for technical TA. Global Fund grants have provided and attracted resources for PSM training and technical assistance; the CPAs showed that PRs and SRs had received training under at least one Global Fund grant about half the time. However, many in-country respondents, especially those from CSOs, feel that if Global Fund

¹²⁸ Caines, Buse and Carlson et al.

¹²⁹ see Determinants of Grant Performance section in this report

¹³⁰ see text boxes on Cambodia and Peru in Grant Oversight Capacity section of this report

¹³¹ *ibid.*

¹³² for detailed discussion, see section on Technical Assistance in this report

requirements were not so complicated, their capacity would be adequate and external TA would not be needed.

Across the 16 countries, most in-country implementing partners recognize that the Global Fund's performance-based funding model has contributed to certain types of capacity building, particularly in the areas of financial management and M&E skills. In 11 of the 16 CPA countries, respondents clearly stated that PBF had contributed to the capacities of PRs, and sometimes SRs. In terms of PSM, Global Fund grants have both helped and hindered local procurement capacity development, by providing training and TA for PSM, but by not requiring internationally accepted standards and allowing direct payment and use of procurement agents.

The lingering issue is the level at which capacity is being built: there were very different experiences with capacity building at the SR level in the 16 CPA countries.

Variation in local capacity building contributions of Global Fund grants in CPA countries

- The Global Fund] has enabled Ethiopia to prioritize on local capacity building in planning, budgeting, financial management, and M&E. However, the capacity acquired is still at the central level and it would require substantial resources to trickle down to the lower levels. Ethiopia
- Low capacity in financial management from grassroots CSOs seems to be a bottleneck in allowing them to be SRs, since it is difficult to deliver effective results as required. Tanzania
- Many CSOs have limited technical and administrative capacity, and there is a need to invest more in capacity building. Uganda
- Global Fund requirements have strengthened the institutional capacity of PRs, but progress is slow at lower levels. Zambia
- No achievements of the Global Fund toward sustainability of country programs can be shown in terms of local capacity building. Burkina Faso
- The learning from PBF has enhanced project management skills of grantees. Capacity of government staff has improved in providing services and also monitoring. Cambodia
- PBF has contributed to the strengthening of managerial capacity of PRs and SRs to monitor progress on reaching national targets, involving a large number of HIV NGO SRs. Kyrgyzstan
- PBF has led to improvements in systems for different entities, especially SRs, for financial and M&E reporting. Malawi
- [The Global Fund] has led to the development of new knowledge and competencies among the health program managers and large workforce engaged in HIV, TB, and malaria prevention and control. Achievements towards sustainability of country programs in terms of local capacity building, especially planning, budgeting, financial management and M&E are visible now, but only marginally. Nepal
- The PBF requirements have contributed to increased capacity at the local level, fairly small grassroots level CSOs have had their capacity developed through becoming SRs. Nigeria

8. *Effects on health sector financing*

a. *Additionality*

There are currently few well-established methodologies to answer the question of additonality, i.e., what would have happened in the absence of financial assistance? Tracking government donor funding is notoriously difficult¹³³, particularly using cross-sectional data collection methods; concurrent resource-tracking studies such as the National AIDS Spending Assessments (NASA), developed by UNAIDS¹³⁴, and National Health Accounts exercise, which is part of Study Area Three, may provide the level of analysis that was not possible in this study. SA2 explored perceived additionality with participants in the 16 CPA countries and with global partners, and collected data from existing studies wherever possible.

The Global Fund has unequivocally changed the scene of combat against the three diseases from one of resource scarcity to that of resource availability. As of 2006, the Global Fund provides 70 percent of external funding to TB control globally. In Peru, a study by GHIN on HIV shows clear additionality of GF grants, both for national spending and donor funds (a less rigorous analysis of TB gives a similar picture).¹³⁵ However, SA2 did find a few examples reported in the 16 CPA countries of the Global Fund substituting for existing sources of development aid.

With the Global Fund grants support to the country, now most donors are pulling out from the country, especially on treatment for HIV. Cambodia CPA report

When the Global Fund's Round 3 grant [for TB] started, USAID eliminated TB funding, leaving funding flat. Haiti CPA

After the Global Fund started providing funding for TB, Danida stopped. Yemen

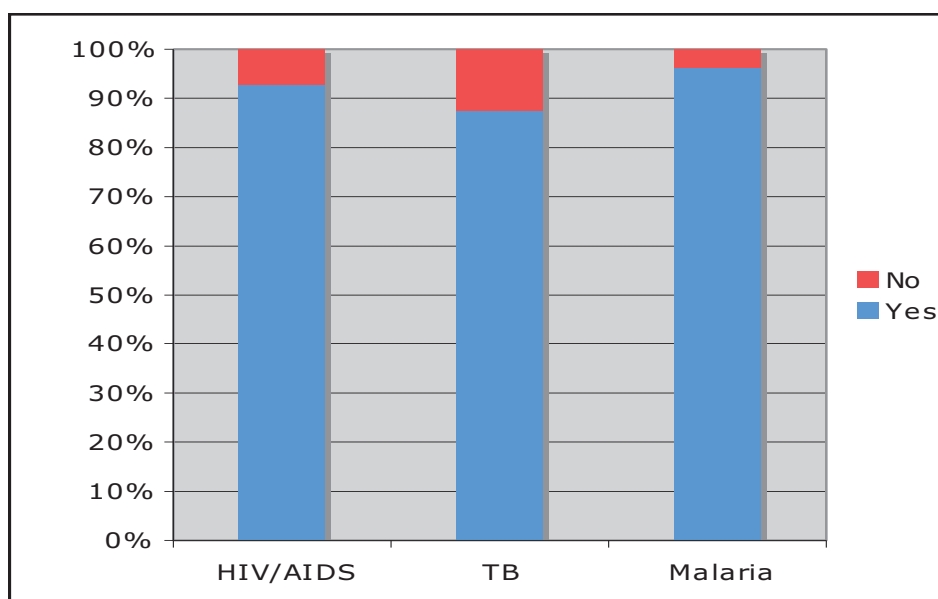
SA2 found that the overall perspective among CPA respondents is that the Global Fund has not only added resources, but has also increased the potential pipeline for resources by magnifying the focus to the three diseases. There was exception to this, but there was an overwhelmingly positive response from CPA participants that GF grants have been a net addition to the cumulative support of the national disease programs (Figure 12).

¹³³ Center for Global Development, "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", October 2007

¹³⁴ United Nations General Assembly Special Session on AIDS (UNGASS). Monitoring the Declaration Commitment on HIV/AIDS.

¹³⁵ GHIN

Figure 12: Has receiving Global Fund grants been a net addition to cumulative support to the nation disease control program?



This is especially the case for malaria, where 96% of CPA respondents involved with malaria grants felt that GF grants were a net addition. Additional evidence comes from the case of Tanzania (see Malaria in Tanzania Box), and from Global Fund Board members, who feel that funds for malaria are at a level where Global Fund could make a significant impact on the disease, if concerted partnerships were functioning. Study Area 3 is conducting a National Health Accounts exercise which will provide further financial data to support the findings from SA2.

Global Fund contribution to additionality in fighting malaria in Tanzania

With over 50 million US\$ in grant disbursements, Global Fund has been the greatest contributor to malaria ever. And other donors have not pulled out or reduced their funding levels in Tanzania. To the contrary, it seems that the Global Fund has encouraged much more attention and funding to combat malaria, which is a great accomplishment. This level of funding—including the President’s Malaria Initiative—would never have been possible a few years ago. A respondent comments: “Global Fund has been great for this country.”

b. Fungibility

The fungibility of development assistance has been questioned over the past ten years¹³⁶, with research showing that development aid that focuses solely on project financing may simply be substituting for spending that recipient governments would have undertaken anyway. In this sense, donor aid effectively frees up public resources for spending on other items or programs. The problem becomes one of effectiveness: if development aid frees up governments to spend on ineffective or non-public goods, then what is the effectiveness of that aid?

¹³⁶ Swaroop, Vinaya, and D. Shantayanan. “The implications of foreign aid fungibility for development assistance”, World Bank Policy Research Working Paper No. 2022; October 1998

Strictly speaking, fungible goods are those which are mutually interchangeable – they are of the same quality, and time period. Development finance has expanded this definition to include goods substitution – if government funds for a health clinic are freed up by a grant, and then used for to build a school, the donor’s assistance is considered to be fungible. This definition then requires an assessment across all public sector spending to determine the fungibility of donor assistance, even if targeted within the health sector. This was beyond the scope of this study.

c. Sustainability

While CPA respondents were mostly positive about the additional financing that Global Fund grants had provided, they discussed sustainability not in terms of finances, but mostly in terms of capacity building. The longer-term capacity building effects, and their sustainability, were called into question by CPA respondents, mostly due to lack of alignment and harmonization of Global Fund systems, but sometimes with respect to human resources issues, such as the salary distortions introduced by many donors, and the resulting internal “brain drain” from public to non-public sectors.

This evaluation looked at the Global Fund grant amount per capita in comparison with health expenditures per capita in the 16 CPA countries (Table 16). Only Phase 1 approved amounts were included, as phase 2 is dependent on performance. There is clearly differential potential for financial sustainability among countries. In countries such as Ethiopia, Malawi and Zambia, where Global Fund grant spending per capita exceeds overall health expenditure per capita, it is difficult to see how substitute finances can be identified, in particular when it is noted that Global Fund grants only address three of many public health issues. In other countries, where Global Fund spending is a small fraction of overall health expenditures, there is increased potential for financial sustainability. Other sources show that HIV/AIDS spending has been far outpacing total government budgets for health, further supporting the low likelihood of financial sustainability of current programs¹³⁷.

Table 16. Global Fund grants in comparison with health expenditures, 16 CPA countries

Country	Health expenditure per capita ¹³⁸ (current US\$) (2005)	Total Phase I Grant Size per Capita (US\$)	Ratio of health exp per capita to phase 1
Burkina Faso	\$27.00	\$6.19	4:1
Cambodia	\$28.57	\$10.65	2.6:1
Ethiopia	\$6.00	\$10.08	0.6:1
Haiti	\$27.61	\$14.63	2:1
Honduras	\$91.00	\$9.51	9.5:1
Kenya	\$24.00	\$7.86	3:1
Kyrgyz Republic	\$29.00	\$7.25	4:1
Malawi	\$19.00	\$21.04	0.9:1
Nepal	\$16.00	\$1.73	9:1
Nigeria	\$27.00	\$1.35	20:1

¹³⁷ Center for Global Development, “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”, October 2007

¹³⁸ A 2001 report by the Commission on Macroeconomics and health (CMH) set a target of \$34 per capita total spending on health as the 2007 target for meeting minimum health requirements in low-income countries,

Peru	\$125.00	\$3.39	37:1
Tanzania	\$17.00	\$14.32	1.1:1
Uganda	\$22.00	\$12.37	1.8:1
Vietnam	\$37.00	\$0.85	43:1
Yemen, Rep.	\$39.00	\$1.87	21:1
Zambia	\$36.00	\$40.21	0.9:1

Sources: Global Fund Secretariat; World Bank WDI website

E. Conclusions

In addition to increasing overall finances available to the three diseases, the Five-Year Evaluation found that the Global Fund has made specific and discrete contributions to strengthening administrative and management systems that are required by the PBF model, and that the financing has mobilized capacity building inputs to that specific end. However, when CPA teams explored potential overall health systems effects of Global Fund financing, the findings were less positive. While the view in four of the CPA countries (Vietnam, Nepal, Yemen, Tanzania) was that the Global Fund has made positive contributions to the health system, these were always identified as being specific to the three diseases. Respondents in five of the CPA countries had mostly negative perspectives of the effects of Global Fund financing on the health system:

- Global Fund structures and programs are widely viewed as emphasizing HIV/AIDS over the other two diseases, with minimal impact on the health system as a whole. (Burkina Faso)
- Cambodia's health goal is more integrated, and not disease oriented, particularly primary health care and maternal child health. The Global Fund, on the other hand, focuses on specific diseases. Though noble, this focus is taking the country away from its focus: overall health systems development. (Cambodia)
- Global Fund support is not done in such a manner that the country adopts the necessary changes to create a sustainable capacity. (Ethiopia)
- Global Fund funding builds a separate, vertical structure from the national health systems reform process. (Kyrgyzstan)
- At country level, partners perceive mixed messages about whether integrated or disease-specific approaches are favoured by the Global Fund. (Uganda)
- The Global Fund focus on the three diseases frustrates efforts to address health using a holistic approach. (Zambia)

Cambodia provides a useful case study, as the only CPA country that has received an HSS grant from the Global Fund. Despite this, CPA respondents reported that Global Fund support was separate from the health sector strategic planning process. The CPA found consistently negative perceptions of the Global Fund's financing on health systems development – in fact, Global Fund financing was thought to detract from ongoing health systems reform and development initiatives. Even though Cambodia is a country where effective SR management systems have

been developed by the PR, and there is great appreciation for the learning gained from the PBF model, grants are generally rated as well-performing (B1 average phase 2 score), and implementation experiences were largely found to be positive, there was dissatisfaction with the health systems development contributions. Most of this dissatisfaction stemmed from the fact that Global Fund structures and systems were distinct from other health structures and systems. CPA respondents reported that the Global Fund had its own requirements, timeframes, formats for proposal development, reporting, and procurement, which have resulted in parallel systems for administration. The fact that all Global Fund grants were managed and administered by a parallel project implementation unit further reinforced the “stand-alone” project image of the Global Fund. Alignment was seen as quite ineffective because of this parallel structure, and opportunities for harmonization are typically missed, as this parallel stream of financing is considered to be separate from the health partner working group, the joint technical partner working group, and the country development coordination forum, resulting in an undesirable vertical approach.

Across the 16 countries, SA2 consistently found that Global Fund contributions to health systems strengthening were limited by unaligned and non-harmonized activities and systems. Although the CPAs found cases of significant and positive contributions to individual capacities and systems, 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 alignment and harmonization barriers to HSS from the CPAs in general and Cambodia in particular, were echoed at the global level. Alignment and harmonization were often mentioned by global stakeholders to be the most critical for maximizing the health systems strengthening effects of all sources of health financing. Global Fund Board members supported this view with comments that while wider systems effects of the Global Fund grants may exist, regional and global approaches to alignment and harmonization were required. Technical partners affirmed that alignment and harmonization of national disease control strategies has largely taken place at the national, and, at times, at global levels; what was needed now was to align management and administrative systems into one that met all country-level needs, and to harmonize reporting and accountability requirements among donors. What was clear to the Five-Year Evaluation is that without alignment of in-country systems and harmonization among donors, health systems strengthening efforts of most donors and global health partnerships, including the Global Fund, will be ineffective.

VIII. Determinants of Grant Performance

A. Introduction

The principal question that emerges from the findings presented in the preceding chapters is: Do certain elements of partnership affect grant performance? One objective of SA2 was to analyze grant performance in relation to the partnership environment of the Global Fund and its model, identifying likely determinants of grant performance, including aspects of partnership. Two analytical approaches were used, based on the available data: a focused study of the 16 CPA countries, using primarily a case study approach using qualitative data, and statistical modeling using publicly available secondary data related to the entire Global Fund portfolio.

Determinants of grant performance have been explored using quantitative methods by other researchers; in one case grant performance was judged against indicators of absorptive capacity¹³⁹, and in another, on the basis of Phase 2 scores¹⁴⁰. The findings of the first study produced a counter-intuitive finding that low-income countries associated with political stability, and those with less developed health systems for a given level of income, were more likely to have a higher rate of grant implementation than nations with higher incomes or more-developed health systems. The results of the second study suggested that lower performance was associated with grants to government agencies as principal recipients and to weak initial proposals, while higher performance was associated with countries with small government budget deficits, and those with a history of socialist governments. Both studies drew entirely from secondary data. Both also concluded that much more work would be needed to understand determinants of grant performance and specifically that the “results should not be used to influence the distribution of funding, but rather to allocate resources for oversight and risk management”.

SA2 aimed to go beyond these studies based only on secondary data by utilizing qualitative data to identify additional explanatory factors to include in a statistical model, and to use different measures of grant performance as outcomes. The approach sought to include a variety of intermediate performance measures, their trends over time and the information from Global Fund performance measurement reports, e.g., PUDR ratings, that might help to explain more the variation observed in grant performance factors in prior studies. Qualitative factors were sought in all 16 of the CPAs in an attempt to complement this approach and to identify more clearly key process factors associated with good and poor grant performance.

Despite a number of limitations to the analytical approach, the data did provide valuable insight into key grant implementation and management process factors that are likely to be associated with grant performance. Health systems capacity emerged as an important statistical predictor of grant performance, and there are some indications of important linkages between variables in the partnership environment, including CCM functionality and wider partnership; good grant oversight systems and better TA systems; and between good alignment, harmonization, and health systems strengthening. The findings from the focused analysis of the 16 CPA countries provide a map for data collection for future investigation of associations between partnership and grant performance.

¹³⁹ Lu, C. et al., “Absorptive capacity and disbursements by the Global Fund to Fight AIDS, Tuberculosis, and Malaria: analysis of grant implementation, *Lancet* 2006; 368: 483-88.

¹⁴⁰ Radelet, S. and B. Siddiqi, “Global Fund grant programmes: an analysis of evaluation scores”, *Lancet* 2007; 369:1807-13.

B. Summary of Findings: Determinants of Grant Performance

The findings from the qualitative analyses show that, at the country level, there are potentially important linkages between CCM functionality and partnership effectiveness in country; between good grant oversight systems and more effective TA systems; and between health systems strengthening and good alignment and harmonization. However, the association of these factors with good grant performance, as measured by Phase 2 scores, is not immediately apparent. The data show that it is likely that these are intermediate process factors that have non-linear relationships with good performance, as measured by the Global Fund.

Health systems capacity is an important statistical predictor of grant performance, for three of the measures used in the analysis of the Global Fund grant portfolio data. Health systems capacity was measured in the SA2 model by health care workers per 1,000 population, which was used by WHO in 2006 to assess countries in crisis for human resources. The interpretation of the statistical results is that increasing the number of health care workers per 1,000 by one would result in an almost 5% increase in the likelihood of a grant receiving a “go” for phase 2 funding. For improvement of grant performance, investment in human resources is likely to be important for the Global Fund.

High disease burden, another constraint on limited health systems, was statistically associated with disbursement delays and poor PUDR ratings – both indicators of ongoing implementation problems – but not with Phase 2 score or recommendation category. In order to achieve impact on the three diseases, the Global Fund must continue to fund programs in high burden countries; however, as these countries are at greater risk of experiencing implementation problems, it will probably be necessary to invest more attention in the form of capacity building and technical support, right from the start.

The number of conditions precedent assigned during grant negotiation seemed to correctly anticipate poor performance, as measured by the Phase 2 recommendation category, in the statistical model. This suggests that the conditions precedent mechanism might be employed more extensively and systematically as a means of prospectively identifying risk factors for poor Phase 2 performance.

The statistical analysis of portfolio data also showed that Phase 2 performance measures (scores and recommendation category) are more strongly associated with factors intrinsic to the Global Fund’s system of assessing specific grants on performance, whereas measures that are accumulated over time (average PUDR ratings and Aidsplan disbursement scores) are more strongly associated with country-specific implementation factors. The systematic differences found in the different measures of grant performance have implications for how the measures are used for policy and operational decision-making, including for designing any sort of risk assessment algorithm.

Grant performance information from the 16 CPA countries showed little evidence of tight linkages between target-based indicator achievement and approvals of Phase 2 grants. The factors that might explain this do not emerge unequivocally, but the evidence does point to a somewhat arbitrary application of stated performance assessment criteria. Although processes are well-defined, there is little systematic monitoring by the Secretariat, as well as excessive room for undocumented contextual factors in performance assessment processes.

A more robust performance monitoring system is essential to the longer term credibility and function of the Global Fund, as well as to the rapid financial expansion now envisaged for the Global Fund. Many of the building blocks for this are already in place, but this evaluation found that the system as a whole does not sufficiently demonstrate linkages between measured grant performance and financing decisions. This evaluation also found little to differentiate truly well-performing grants from those that are simply performing adequately. While the objective of improving the PBF system should not be to facilitate statistical analyses, it would also address the current key limitation to quantitative analysis of Global Fund grant performance, which is the lack of variability in the grant performance scores. Until grant performance assessment practices are standardized and defined with greater precision to allow greater performance differentiation, the policy relevance of the types of findings presented above must be interpreted with great care.

C. Recommendations: Determinants of Grant Performance

- 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:
- 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.
 - 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.
 - 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.
 - 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.
- 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.

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:

- a. 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.
- b. For countries with fewer PRs, investing in their management capacity will likely improve grant oversight and in-country technical assistance systems
- c. 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.

D. Summary of Evidence: Determinants of Grant Performance

1. Focused analysis of 16 CPA countries

Key findings:

- There is no appreciable statistical association between PUDR ratings and objective target achievement at Phase 2; this demonstrates the overwhelming roles that contextual factors have played in performance assessment. The Secretariat is aware of this, and is taking steps to address the issue.
- There are no discernable patterns from a qualitative standpoint between partnership environment factors and grant performance.
- There is some qualitative indication of linkages between CCM functionality and wider partnership (with some linkage to better grant oversight); between good grant oversight systems and better TA systems; and, between good alignment, harmonization and health systems strengthening.

For this analysis, SA2 utilized the in-depth qualitative data from the CPAs and an in-depth review of all the PUDRs, Grant Performance Reports (GPRs), and Grant Score Cards (GSCs) for each of the 93 grants in the 16 CPA countries. This group of grants had a mix typical of the overall Global Fund portfolio: 49 percent HIV/AIDS, 27 percent malaria, 20 percent TB, and 3 percent other

June 25, 2008

(health systems strengthening [HSS] or TB/HIV). Contextual factors, listed below in Tables 17 and 18, were used to try to identify patterns that could indicate or suggest contributing factors to grant success or failure.

Table 17: Distribution of 16 CPA countries

Contextual factor	High/Yes	Low/No	Portfolio %*
Income level	2 (lower middle)	14 (low or lowest)	Low: 59%
Health systems capacity	6 (weak)	10 (weakest)	Less than 2.5 HCWs per 1000: 75%
SWAp	3	13	Not available
Fragile state	7	9	28%
Disease burden	10	6	High: 50%
PEPFAR	8	8	Yes: 20%

*

Study Area 2 database

Table 18: Distribution of Phase 2 grant performance scores in CPA countries

Phase 2 score	Number	%
A	6	14%
B1	25	59%
B2	11	26%
C	0	Na
Total phase 2 grants	42	45% (of total grants)
Total grants	93	

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SA2 found that there is little or no association between the ratings given in the Progress Update and Disbursement Requests (PUDRs) and phase 2 performance scores, for the 43 grants with Phase 2 scores in the 16 CPA countries. This evaluation also found little to differentiate between A, B1, and B2 grants, even after examining all PUDRs, grant performance reports, and grant scorecards associated with 93 grants.

Figures 13 and 14 fail to show the strong correlations that would be expected between quarterly objective performance ratings on the PUDRs and performance, as documented on the GPRs and GSCs. Instead of the assigned GPR and GSC scores, the percentage of indicators achieving 80% or more was used to remove the influence of contextual factors in these Phase 2 measures, but left in the PUDR ratings. The alphanumeric PUDR ratings were converted to numeric ones in the following manner: A = 5, B1 = 3, B2 = 2, C = 0. This was done so that early grants that were scored on a numeric system could be compared with later ones scored on the alphanumeric system. The first graph is a scatter plot of PUDR scores versus the attainment of the grant's objective targets, as documented in the GPR. The other graph similarly plots PUDR scores against objective indicator attainment on the Grant Score Card (GSC), which is used for making Phase 2 funding decisions.

Figure 13: Avg. PUDR vs. % GPR indicators achieving at least 80% Target

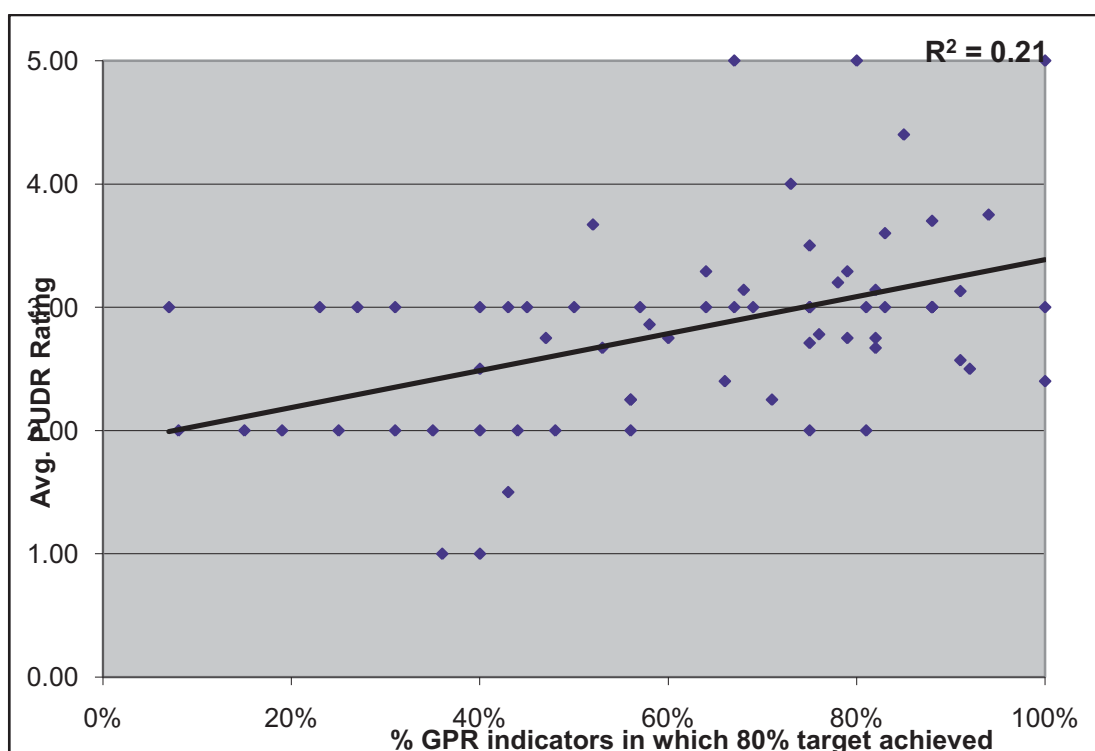
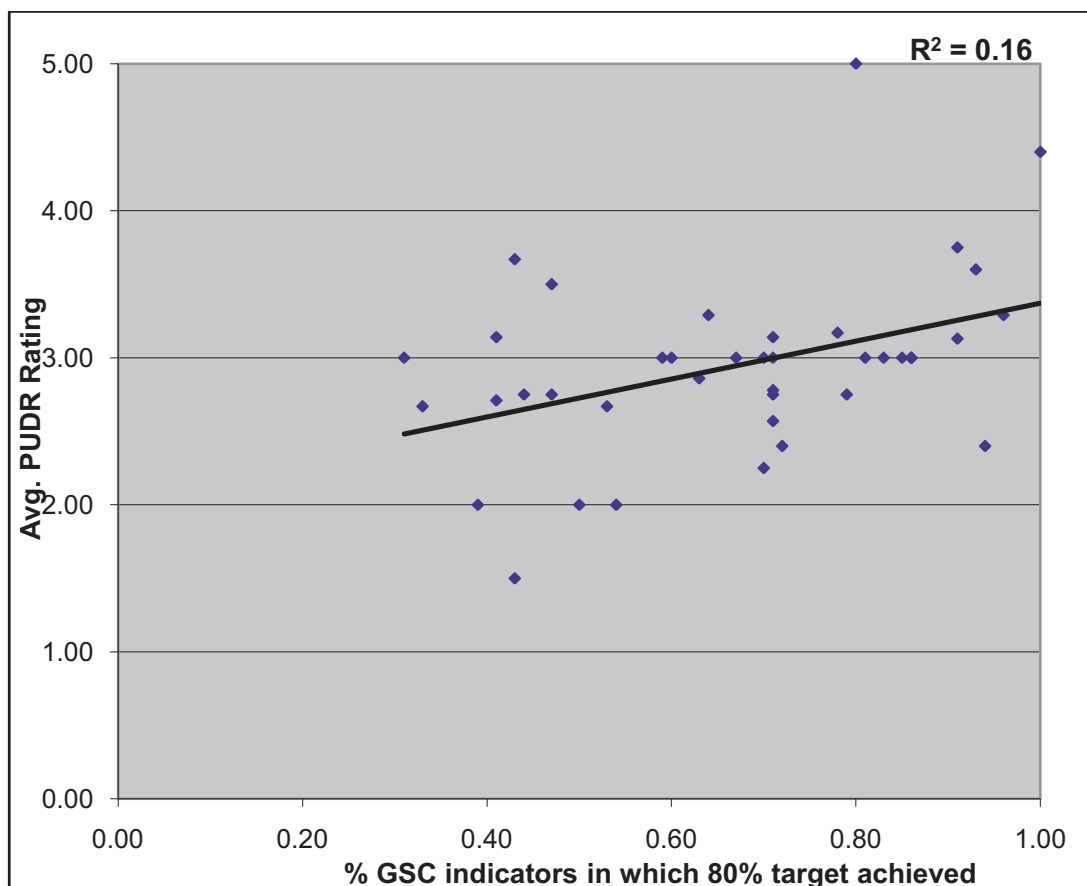


Figure 14: Avg. PUDR vs. % GSC indicators achieving at least 80% Target

These two figures show that there is weak correlation between the two measures of grant performance, one based only on objective target achievement, and the other based on targets and contextual factors (correlation coefficients = 0.21 and 0.16). If the PUDR rating was primarily dependent on objective performance, one would expect stronger correlation with the GPR and GSC percentage of achieved targets. The weak correlation indicates that contextual factors are much more important in the determination of the PUDR rating¹⁴¹. While this may reflect good grant management practice, it poses a monitoring and management problem for the Secretariat, as the exact nature of these contextual factors has not been clearly or consistently documented in the reports, nor have contextual factors been clearly delineated in any guidelines. A recent Secretariat initiative to systematically include contextual factors in the PUDRs should address this problem and strengthen both the PBF process and the monitoring and management capacity of the Secretariat. It is imperative that this problem be addressed rapidly, however, as the current system implies that Global Fund ratings are objective, while

¹⁴¹ The Global Fund Operational Policy Note (OPN) 3.3-D

they are actually more subjective in nature. This calls into question any exercise, including this one, that tries to compare grants based on these contextually-driven performance measures.

There are several other factors that could be contributing to the observed lack of correlation between objective performance measures, and the implied subjectivity of those measures:

- systematic variation among LFAs in the way they assess performance quarterly;
- systematic variation among FPMs in the way they contribute to these assessments;
- the pattern of implementation problems experienced by countries;
- an inability of the Secretariat's information system to capture these relationships.

There is previous evidence regarding the differences among LFAs. Radelet and Siddiqi found, in their analysis, inconsistency across LFAs regarding evaluation scores, and that different standards are likely being used. Unfortunately, SA2 was limited in its investigation of the role of LFAs in the partnership environment to the area of procurement, and cannot comment further.

The Five-year evaluation, through interviews with FPMs in SA1 and SA2, did find significant variation in how FPMs approached their job, with subsequent implications for what roles they played in grant management and performance assessments. The Organizational and Management Review of the Global Fund, conducted by Booz-Allen-Hamilton in 2007, also found that there was inconsistency in the work of grant operations teams, which increased the likelihood of risk management issues emerging¹⁴².

A time-series analysis and detailed review of all PUDRs available for the 93 grants in the 16 CPA countries showed a consistent pattern of rapid performance improvement in the six months preceding Phase 2 assessment. This "rush" to perform just prior to the phase 2 assessment may mask longer historical trends in performance, but it may also accurately reflect implementation experience. Presumably, there were difficulties at startup that were resolved over time, facilitating accelerated achievement of targets. An alternative explanation is that the capacity existed to begin with, but the reality of possibly losing funding focused underachievers on increasing activities to achieve agreed-upon targets. In either case, the PBF model likely provided incentives to improve performance. As grants become more mature and more data is available for Post-Phase 2 Performance, additional trends and "warning signs" may be able to be identified.

The evidence SA2 derived from the time series analysis of PUDRs and the detailed review of PUDRs, GPRs, and GSCs shows that the current information systems in the Secretariat need strengthening, if monitoring of grant management processes and grant performance is to support policy decisions. At the time of this evaluation, although the Secretariat was actively working to address this issue, its information system had not yet advanced to the point where it is able to capture and reflect convincingly the relationships that are most likely to be of policy and management interest.

a. Case studies of high performers in the CPAs

SA2 also conducted qualitative analyses of the three best performers from the 16 countries (Burkina Faso, Haiti, and Zambia). These three countries served as case studies for possible factors associated with good performance.

¹⁴² The Global Fund to Fight AIDS, Tuberculosis and Malaria, Organizational and Management Review: Dec 4, 2007; p.31.

Table 19 summarizes a series of contextual factors and partnership environment issues that were the focus of the CPAs. It is hard to discern any patterns with regard to either contextual factors or CPA data. All three countries were low income, with weak health systems and high disease burden. According to our statistical model, these should predispose them to poorer performance, which is not the case here, and indicates that other factors are at play. However, there is little to no pattern with regard to any of the six focus areas investigated by the CPAs.

Table 19: Summary of performance factors in three high-performing countries

Contextual Factors*			
	Burkina Faso	Haiti	Zambia
Income level	Very low	Very low	Low
Health systems capacity	Weak	Weak	Weakest
SWAp	No	No	Yes
Fragile state	No	Yes	No
High Disease burden	Above median	Above median	Highest
PEPFAR focus country	No	Yes	Yes
CPA data (Study Area 2 analysis)			
	Burkina Faso	Haiti	Zambia
Partnership Environment	-	++	+
CCM function and roles	--	+	--
Alignment and Harmonization	-	+	-
Health Systems Strengthening	--	++	--
Technical Assistance	--	+	-
Grant oversight	-	+	+

*Sources: World Bank, WHO, DFID

Ratings used in analysis

++ The factor or issue at hand is viewed positively by most or all stakeholders; there has been very favorable performance in the area at hand; there has been much improvement in the function of the factor or issue; roles are clearly delineated with no duplication and lack of confusion; all stakeholders are participating; highly positive findings.

+ The factor or issue at hand may be viewed positively by some but not all stakeholders; there has been some improvement in the area at hand but there is room for more; roles are generally clear but there may be some minimal confusion, or slight duplication; most stakeholders are participating; generally positive findings with some room for improvement.

– The factor or issue at hand is viewed negatively by some but not all stakeholders; there has been little improvement; roles are slightly unclear and there is some confusion; there is a fair amount of duplication of roles; some stakeholders have been left out; generally negative findings but improvements are seen as possible or likely with intervention.

– – The factor or issue at hand is viewed negatively by all stakeholders; there have been no improvements; roles are unclear and there is much confusion; most roles are duplicated or there is much inefficiency; many stakeholders have been left out; negative findings with very little likelihood of improvement without targeted intervention.

Partnership Environment

- The partnership environment in Burkina Faso was still in early stages of functionality. The CCM was felt to not be fully operational, and needed improvements with regard to active and complete participation of civil society partners. There was an especially keen sense in Burkina that global-level policies and partnerships were affecting how partnership at the local level could function, and an awareness that weak or missing strategies for global partnership and financing were making Global Fund work in Burkina less effective. The private sector was actively involved in HIV/AIDS activities, but not through the Global Fund.
- In Haiti, the partnership environment was more developed, facilitated by a CCM restructuring in 2005, the establishment of an SR Forum in 2006, and coordination and implementation by only one PR (private sector). Aside from the PR, there was little private sector involvement in Global Fund grants; even the CCM lacked a private sector member at the time of the CPA.
- Zambia's partnership environment was more complicated, with 4 unique PRs, but this was seen to have facilitated and expanded a diversified role for CSOs and raised their profile. Private sector involvement was minimal, and this was attributed to a lack of CCM or PR strategies for reaching out to the private sector, compounded by a lack of guidance from the Global Fund on private sector engagement.

CCM roles and functionality

- The CCM in Burkina Faso was not seen as capable or sufficiently resourced to fully operate as a coordinating mechanism. The PRs were unaware that they had latitude for aligning the reporting and fiscal cycles with national ones, and there was confusion about the roles and responsibilities of the PR v. the CCM, for which Global Fund guidance was desired.
- The CCM functioned well in its coordinating role, but it was dominated by the PR, and there were resulting issues of conflict of interest. Financial oversight is competently managed by the PR, but SRs felt that management of technical areas, in particular HIV prevention and malaria activities was inadequate.
- In Zambia, the CCM was described as a "rubber stamp", and its role was undermined by multiple stakeholder reports that the Secretariat routinely bypassed the CCM and communicated directly with the PRs. As a result, all CCM members interviewed did not know there is a provision for applying for resources to support CCM operations.

Alignment and Harmonization

- In Burkina, alignment for technical priorities was felt to be achieved, through the instrument of national plans, but there had been little or not effort at aligning administrative and financial procedures. There was awareness of the increasing transaction costs associated with alignment (and harmonization) as the number of donors increased.
- In Haiti, alignment was not considered to be a major issue, since the national systems were weak to begin with. However, harmonization among the various donors, especially for

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HIV/AIDS, was a focus; MoUs signed by the PR with two major HIV/AIDS actors were the key to coordination and avoiding duplication.

- In Zambia, the Global Fund does not yet participate in the SWAp, creating a knowledge gap between the Global Fund model and the expectations of other partners. However, all the partners were contributing to the National Strategic Framework for the Health Sector. There are several other multi-disciplinary structures parallel to the CCM. Zambian respondents repeatedly identified the transaction costs of meeting the varying planning and reporting cycles and requirements as very high.

Health Systems Strengthening

- Global Fund grants were seen in Burkina to have minimal impact on the health system as a whole. With regard to strengthening of specific management systems, CPA stakeholders stated that there were no achievements toward sustainable local capacity.
- Health systems in Haiti were considered completely dysfunctional, and external funding from the Global Fund, PEPFAR, and others essentially constituted the system – therefore harmonization was of great concern. Global Fund financing revived the malaria program after 20 years of dormancy; however, USAID TB funds ceased after the country received a round 3 TB grant, leaving total TB funding at the same level.
- In Zambia the Global Fund's focus on the three diseases was seen as a barrier to addressing health using a holistic approach. Although institutional capacity of PRs was seen to have been strengthened, this was not reaching to lower levels.

Technical Assistance

- TA systems were felt to be lacking in Burkina, and there was felt to be inadequate attention paid to the issue of timely, available, quality TA. Cultural barriers¹⁴³ to requesting TA were also identified by Burkinabes.
- In Haiti, external TA for proposal development has not been needed to date. The PR has internal capacity for financial management TA, but other types of technical support were felt to be lacking. SRs felt the need for many types of grant implementation TA, but were not receiving sufficient attention from the PR. The SR Forum may assist with communications about TA needs.
- In Zambia, PRs had provided some TA to SRs and SSRs, but it was not systematic. There was confusion over constantly changing procedures regarding TA that was preventing SRs and SSRs from requesting support. However, PRs were satisfied with the TA they had received, also from the Secretariat, but indicated the need for operations-oriented TA.

Grant oversight

¹⁴³ Examples include national and personal pride; lack of confidence in language abilities; awareness of educational differences; lack of exposure to other cultures

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- In Burkina Faso, there was little country leadership from the PRs and CCM, and SRs were often left out of the loop.
- In Haiti, the SR Forum is increasing interaction and communication with the PR and CCM.
- In Zambia, PR management of SRs and SSRs has improved over time, but the large number of PRs and SRs means that communications and understanding is often inconsistent.

b. Examination of three “best practice” countries

A case study analysis utilizing the same contextual factors and rating parameters for the CPA data was done for three countries that SA2 had identified as exhibiting “best practices” for three important areas: SR oversight (Cambodia), health systems strengthening (Malawi), and CCM role (Tanzania)¹⁴⁴ (Table 20).

Table 20 Summary of performance factors in three high-performing countries

Contextual Factors*			
	Cambodia	Malawi	Tanzania
Income level	Low	Low	Very low
Health systems capacity	Weakest	Weakest	Weakest
SWAp	No	Yes	Yes
Fragile state	Yes	No	No
High Disease burden	Above median	Highest	Highest
PEPFAR focus country	No	No	Yes
Grant Performance	Medium	Medium	Medium
CPA data (Study Area 2 analysis)**			
	Cambodia	Malawi	Tanzania
Partnership Environment	-	-	++
CCM function and roles	- -	+	++
Alignment and Harmonization	- -	++	+
Health Systems Strengthening	- -	++	+
Technical Assistance	++	- -	-
Grant oversight	++	-	+

*Source: World Bank, WHO, DFID

** same rating system as above

Collective grant performance for all of these three countries was rated as “medium” by the TERG during its country selection process for the Five-Year Evaluation. All are low income, with weak health systems and high disease burden. The pattern that emerges is one of pairs within the CPA data: strong in-country grant oversight and technical assistance systems that include SRs in Cambodia; good alignment and harmonization and health systems strengthening in Malawi; and strong CCM and partnership environment in Tanzania, with some spillover into grant oversight.

These observed associations based on qualitative analyses show a certain logic to the factor pairings that identify them clearly as intermediate performance processes. However, direct links between any of the performance factors explored by SA2 and Global Fund rated performance are not apparent. The following sections present more in-depth exploration and evidence on each which indicate a reinforcing process between these factor pairs. The cyclical dynamics of

¹⁴⁴ text boxes describing the details of these best practices can be found in the body of the report.

these pairs of intermediate performance processes indicate that their relationship with grant performance, as currently measured by the Global Fund, is non-linear.

2. *Statistical analysis of grant performance*

Study Area 2 developed a statistical model involving four measures of grant performance (Average PUDR score, Recommendation category, Performance Score and Aidspace disbursement score), contextual factors (e.g., health systems capacity, presence of SWAps, disease burden and political fragility), and factors related to country grant implementation capacity (CPs, TRP rating) and the country's partnership environment (type and number of PRs).

Key Findings:

- Health systems are important predictors of grant performance. All four grant performance measures have strong relationships with health systems capacity, as measured by health care workers per 1000 population. For three measures, this association is statistically significant: phase 2 recommendation category, AIDspan disbursement score, and average PUDR score. Increasing the number of health care workers per 1000 population by one resulted in a 4.6% increase in likelihood of receiving a "Go" recommendation for Phase 2 funding.
- The number of conditions precedent was also a key factor for two measures of grant performance. When the total number of conditions precedent increased by four (approximately one standard deviation), the likelihood of receiving a "go" recommendation decreased by 10%.
- High disease burden in a country was also associated with disbursement delays and other concerns. Grants implemented in countries with high disease burden were 9-10% less likely to be disbursing on time, or to receive high PUDR ratings; however, there was no statistical association with Phase 2 scores or recommendations category.

SA2 set out to answer three questions with the statistical analysis:

1. What external, country level factors are associated with grant performance?
2. What grant-related characteristics are associated with grant performance?
3. Are there differences if different measures of grant performance are used?

a. *Selection of the Outcome Variables*

Four measures of grant performance were used as outcomes for the model:

1) *Average PUDR Score*: This was compiled from Progress Update and Disbursement Report spreadsheet from the Global Fund – scores were averaged across all disbursements for each grant, with an average score of 2.98 (s.d. 0.77, range 1-5). Average scores were then rounded to the nearest integer. Scores rounding to 1 and 2, as well as 4 and 5, were grouped for stronger predictive analysis.

2) *Recommendation Category*: These data were obtained from Grant Score Cards (GSCs) posted on the Global Fund website and supplemented and checked against scores provided by the

Secretariat. “No Go” category grants were removed from the analysis, due to small sample size as well as external factors relating to the grants that made them unreliable for quantitative analysis. The variable was then converted into an ordinal number score.

3) *Performance Score*: These data were obtained from Grant Performance Reports (GPRs) posted on the Global Fund website, and supplemented and checked against a list of scores provided by the Secretariat. The alphabetical scores were converted into an ordinal number score (1-4) equivalent. Grants with scored of C and B2 were combined for stronger predictive analysis.

4) *Aidspan Disbursement Score*: This measure of grant performance is maintained by Aidspan, and was compiled from the aidspan.org website, updated in February, 2008. The score represents delays in disbursement of funds to PRs, which may relate to a variety of performance problems.

Aidspan disbursement score scale

- A: Grants on or ahead of schedule
- B: Grants up to 3 months behind schedule
- C: Grants 3 to 6 months behind schedule
- D: Grants over 6 months behind schedule
- N: Grants not rated by Aidspan (score not included)

Phase 2 scores, both decision categories (given on grant score cards) and performance scores (given in grant performance reports) are indicators of the overall performance of the grant that aid in continued funding decisions. Fewer than 2/3 of grants in the portfolio have phase 2 scores at this point in time, leading to a loss of statistical power in analysis.

Due to limited central guidance in scoring, and the significant heterogeneity among LFAs in different countries, the grading of quarterly Progress Update and Disbursement Reports (PUDRs) might be considered somewhat “arbitrary” across different LFAs and FPMs. Additionally, changes in scoring structure for PUDRs from a 4-point alphabetical to a 5-point numerical scale after Round 3 may diminish the ability to compare scores across earlier and later grants. In the absence of other available historical data on grants, earlier alphabetical scores were converted to numerical scores to allow the calculation of average PUDR ratings.

AIDSpan disbursement scores are independent, but are focused solely on disbursement rates, and do not capture target achievement. These scores are unable to identify reasons for delays in funding disbursement (e.g., issues with CCM, misuse of funds by PR or SRs, or lack of programming effectiveness). Additionally, an inherent bias in this score may exist against grants that are older and where longer delays in funding may be expected.

There is no one ideal measurement tool for gauging the overall success of a grant. Determining which grant and country-related factors affect the already-established metrics can be important information for both grant reviewers and implementers in assessing the potential of Global Fund grants to successfully implement programs. This analysis presented bellows does not show causal relationships between factors and grant scores, but focuses on statistical associations that might serve as predictors for continued financing decisions.

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Correlations among the grant performance measures were explored (Table 21). All are strongly correlated, but there is less correlation between the Aidspace score and the other three Global Fund performance measures.

Table 21: Correlations among the four potential outcome variables

R^2 Correlation Coefficients, # Obs	<i>Phase II Recommendation Category</i>	<i>Aidspan Score</i>	<i>Average PUDR Score</i>	<i>Phase II Performance Score</i>
<i>Phase II Recommendation Category</i>	1.00 275			
<i>Aidspan Score</i>	0.27 272	1.00 421		
<i>Average PUDR Score</i>	0.53 258	0.44 318	1.00 322	
<i>Phase II Performance Score</i>	0.51 269	0.35 270	0.45 256	1.00 273

b. *Selection of the independent variables*

Country-level variables:

Number of Health Care Workers per 1000 population: Indicator of health systems strength and capacity issues. The data were gathered from the World Health Organizations' 2006 report on Working Together for Health.

Ln GDP: Gross Domestic Product per capita, derived from the World Bank's World Development Indicators, to represent country income. The natural log of the value was taken to normalize the data.

Donor Crowding: Measures for donor crowding were considered for this analysis, but donor data were inconsistent and not considered reliable enough for utilization in this model. Preliminary analysis showed that this remains a potentially valuable indicator, and that higher donor crowding may be a predictor of poorer grant performance; this is supported by findings from other studies¹⁴⁵. More work should be dedicated to developing a suitable indicator for donor crowding across all grants.

Grant-specific variables:

Number of Conditions Precedent: Included as an indicator of initial technical concerns with an approved grant prior to implementation.

Ln Grant Size per Capita: The Phase I size of a Global Fund grant (in \$) per capita. Only phase 1 approved funds were used, as these are guaranteed regardless of performance at Phase 2.

Disease Burden: Dummy variable encoding whether a country is considered "high burden" for the disease the grant combats. Included as measure of concern in country:

- For HIV, greater than 1% prevalence (WHO figure)

¹⁴⁵ Radelet and Siddiqi, 2007.

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- For TB, Stop TB list of 22 Countries accounting for 80% of Global TB
<http://www.stoptb.org/countries/>
- For Malaria, childhood (<5 years) deaths from malaria greater than 1%. (2005 WHO figure)

Grant type: Dummy variable encoding whether a grant was for TB, Malaria, or HIV/AIDS. HSS and TB-HIV grants were excluded, as they were a small number, as were multi-country grants¹⁴⁶.

Disease_PRs: This variable, representing the number of unique PRs focused on a single disease in a country, was considered for analysis, and was significant in a set of models (higher PRs per disease were associated with lower performance, especially for speed and funding disbursement (measured through AIDSpan scores). However, the variable did not have sufficient explanatory power to incorporate into the aggregate analysis. Additionally, HIV/AIDS grants were found to have a much higher likelihood of multiple PRs per disease - for these grants, the negative effect of multiple PRs was shown to potentially be even more pronounced.

c. Statistical Methods

Stata IC 10.0 was used for statistical analysis. Data was imported into Stata from Microsoft Excel. Multinomial, ordered probit models were fitted. Model specification was done using both downwards and upwards step-wise analyses; final models were selected based both on statistical and conceptual integrity.

d. Results

Three factors were consistently significant in the models, and conceptually important for risk management purposes.

Health systems capacity is an important statistical predictor of grant performance, for three of the measures used in the analysis of the Global Fund grant portfolio data. Health systems capacity was measured in the SA2 model by health care workers per 1,000 population, which was used by WHO in 2006 to assess countries in crisis for human resources. Increasing the number of health care workers per 1,000 by one resulted in an almost 5% increase in the likelihood of a grant receiving a “go” for phase 2 funding. For improvement of grant performance, investment in human resources is likely to be important for the Global Fund.

High disease burden, another constraint on limited health systems, was statistically associated with disbursement delays and poor PUDR ratings – both indicators of ongoing implementation problems – but not with Phase 2 score or recommendation category. In order to achieve impact on the three diseases, the Global Fund must continue to fund programs in high burden countries; however, as these countries are at greater risk of experiencing implementation problems, it will probably be necessary to invest more attention in the form of capacity building and technical support, right from the start.

The number of conditions precedent assigned during grant negotiation seemed to correctly anticipate poor performance, as measured by the Phase 2 recommendation category, in the statistical model. This suggests that the conditions precedent mechanism might be employed more extensively and systematically as a means of prospectively identifying risk factors for poor Phase 2 performance.

¹⁴⁶ Total number excluded = 19

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The statistical analysis of portfolio data also showed that Phase 2 performance measures (scores and recommendation category) are more strongly associated with factors intrinsic to the Global Fund's system of assessing specific grants on performance, whereas measures that are accumulated over time (average PUDR ratings and Aidspace disbursement scores) are more strongly associated with country-specific implementation factors. The systematic differences found in the different measures of grant performance have implications for how the measures are used for policy and operational decision-making, including for designing any sort of risk assessment algorithm.

Table 22: Factors associated with better grant performance – summary of probabilities

<i>Independent factors</i>	Association between change in variable and change in probability of score (Standard Error)				
	<i>Magnitude of Change</i>	<i>Phase II Recommendation Category (Go)</i>	<i>Aidspan Score (A)</i>	<i>Average PUDR Score (4 or 5)</i>	<i>Phase II Performance Score (A)</i>
<i>Number of Conditions Precedent</i>	Gain of 4 (~1 SD)	-10.4% (1.0%)	-1.4% (0.3%)	-6.6% (0.5%)	-3.4% (0.6%)
<i>Health Care Workers per 1000 Population</i>	Gain of 1 HCW/1000 Pop.	4.6% (1.6%)	1.7% (0.5%)	3.3% (0.8%)	1.3% (0.8%)
<i>Ln Gross Domestic Product</i>	1 SD Increase	-5.7% (4.5%)	-4.8% (1.6%)	-2.3% (2.5%)	1.7% (2.6%)
<i>Ln Grant Size (\$) per Capita</i>	1 SD Increase	-8.9% (2.5%)	-0.4% (0.8%)	1.7% (1.3%)	-0.5% (1.6%)
<i>Malaria Grant</i>	If True	-6.7% (10.0%)	-1.2% (3.4%)	-0.9% (5.7%)	-13.1% (5.2%)
<i>HIV Grant</i>	If True	11.4% (9.6%)	1.8% (3.3%)	7.6% (5.7%)	-3.0% (6.0%)
<i>High Disease Burden (by grant type)</i>	If True	-13.2% (8.2%)	-9.8% (3.0%)	-9.1% (4.7%)	1.8% (5.1%)
<i>McFadden R² Values (Model Fit)</i>		0.098	0.040	0.066	0.032

3. *Limitations: Determinants of Grant Performance*

Both the qualitative and statistical analyses of CPA data proved to be problematic. The primary limitation was the selection of CPA countries, which was done with an objective of providing a representative sample for statistical analysis, but did not use a probabilistic sampling method, nor did it provide enough grants with Phase 2 scores for adequate statistical power. In addition, by selecting the 16 CPA countries to be representative of the overall portfolio, too few examples of well-performing and poorly performing countries and grants were provided to allow for robust qualitative analysis of factors associated with good and poor grant performance. Therefore, the use of the CPA country data for both quantitative and qualitative analysis of grant performance determinants was limited. However, the CPA country data did provide valuable insight into key grant implementation and management process factors that are likely to be associated with grant performance. The findings from the focused analysis of the 16 CPA countries provide a map for data collection for future investigation of associations between partnership and grant performance.

Study Area 2 also utilized available data on the entire Global Fund portfolio for statistical analysis. However, the analytical approach of integrating qualitatively identified factors into the statistical model proved to have very limited scope, as data on these qualitative factors were needed for the entire portfolio of grants, not just the CPA countries. This was not the case for

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any of the explanatory factors that SA2 identified through qualitative analysis, and presented a real methodological limitation to linking the qualitative CPA findings to any kind of statistical analysis. Another limitation was that the CPAs generated essentially country-level factors, and performance was rated for the country as a whole; the statistical analysis utilized grant-specific performance ratings as the outcome, with country-level factors as explanatory variables.

These limitations in integrating the qualitative results into the quantitative analysis notwithstanding, the results from each are methodologically robust and of policy interest, though the linkages between them are mostly hypothetical in nature.

E. Conclusions

These conclusions present some hypothetical linkages between the qualitative findings and the quantitative results, which can be used for further data collection and model development. Qualitative analysis of the CPA data showed that in countries with one PR for all grants in the country, grant oversight and TA systems functioned better, hypothetically leading to better performance. However, of the four CPA countries that had only one PR, two were medium performers, one was poor, and one was good, showing no discernible link. This finding could not be confirmed using the quantitative analysis; although a higher number PRs per disease area was associated with lower performance, especially for speed and funding disbursement (measured through AIDSpan scores), it did not have sufficient explanatory power once other factors were added to the model. However, the qualitative findings demonstrated that the number of PRs does seem to contribute to increased management burden on the CCMs and LFAs, as well as the Secretariat, just as a large number of SRs and SSRs put pressure on PR management capacity.

Despite the strong findings from the statistical analysis, associations between the qualitative findings and the number of CPs were also tenuous. The three good performers in the CPAs had a lower average number of CPs per grant (4.3-5.8), and medium performers analyzed for their best practices had more (>8), except for Tanzania, which had the fewest average CPs of all 6 countries (2.9), yet was still considered medium performer.

Although all six of the qualitative case study countries had weak or weakest health systems, the three best practice countries demonstrate that even in the context of weakest health systems, good grant oversight and TA systems can be developed; health systems strengthening can be achieved through alignment and harmonization of diagonal inputs; and CCM functionality and a positive partnership environment can flourish.

IX. Conclusions

The results of this evaluation show a new institutional experiment in international development that has made enormous strides and demonstrated impressive achievements during the first five years of its existence. The results also underscore the magnitude of the challenges yet to be tackled and the many gaps that need to be addressed. Many of the challenges and gaps find their roots in a continued commitment to the ideals of the Global Fund, which are expressed in the guiding principles, but also stem from rhetoric of “uniqueness” that does not accord – at least not fully -- with the realities of where the Global Fund is today. If the Global Fund is to succeed during its second half decade and to expand its activities as it is now challenged to do, the policymakers of the Global Fund will need to address this reality and to make adjustments accordingly. A prime example is the continued insistence upon branding the Global Fund as a “financing-only institution”, when the Secretariat has begun to take on, often as a result of Board decisions, more and more functions of grant management and technical support.

A major unresolved question remains: if the Global Fund is not a financing-only institution, then what is its fit in the global development architecture? Its fit is most appropriately measured by its value added: mobilizing increased financing and putting it in the hands of countries to manage their own solutions to three pandemic diseases; shifting the paradigm of development assistance from one based on programs largely defined by donor requirements and priorities to one that is demand-driven and country-led, with the participation of sectors which had not traditionally been involved in disease control decision-making at national levels; and establishing new standards for accountability and transparency in its business model. To be true to its principles, the Global Fund will need to continue to rely primarily on the partnership model it has adopted, but much remains to be done for that model to function with full efficiency and effectiveness. The reality is also that there will be actions and interventions that the Global Fund will need to make itself in the interests of efficiency and effectiveness and in order to ensure due diligence and fiduciary care over the finances assigned to it in public trust.

This evaluation has sought to assess the partnership model as it presently operates, against the vision that was put forth by the founders of the Global Fund. The findings in this report are informed by quantitative and qualitative analyses, existing literature, and a diversity of viewpoints from grant implementers, country and global partners, and other stakeholders, and paint a picture of an organization that has accomplished a great deal while constantly changing and adapting in an effort to improve its processes.

The Recommendations offered in this report offer an opportunity for the Global Fund to pause and take stock after six years of operations. The Five-Year Evaluation believes that if the Global Fund were to undertake, collectively and cumulatively, all of the recommendations presented in this report, it will be able to overcome many of its current challenges and maximize its future contributions to the development community.

Annex 1: References, by topic area

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Annex 2: Scope of Work for Study Area 2 of the 5 Year Evaluation of the Global Fund to Fight AIDS, TB, and Malaria

STUDY AREA 2: EVALUATION OF THE GLOBAL FUND PARTNER ENVIRONMENT, AT GLOBAL AND COUNTRY LEVELS, IN RELATION TO GRANT PERFORMANCE AND HEALTH SYSTEMS EFFECTS, INCLUDING UP TO 16 COUNTRY STUDIES

The overall objective of Study Area 2 is to evaluate the effectiveness of partnership environment at global level and in a range of country settings. Notably, the Study Area examines how the partner environment impacts on grant performance and health system effects with an emphasis on pivotal factors such as technical and management assistance, country structures, national ownership, presence of major partners, harmonization and alignment, fragile states, effects on and strength of health systems and involvement of civil society and the private sector. Factors within the Global Fund that potentially affect grant performance will also be considered together with necessary adaptations. The partner environment in-country includes Country Coordinating Mechanisms, Principal Recipients, sub-recipients, recipient country ministries and public bodies, civil society, technical support providers, implementers of programs, donors, and others. Elements of grant performance should be examined at the stages of the proposal application, in progression from Phase 1, continuation to Phase 2, and beyond Phase 2.

Results of this study will provide insight into the positive and negative effects of the Global Fund on wider country health and development systems. The study will include up to 16 in depth country studies, including quantitative modeling to allow general conclusions for the whole portfolio.

Study Area evaluation questions:

Priority evaluation questions for the Five Year Evaluation have been discussed, reviewed and refined in fora including the Technical Evaluation Reference Group, the Board of the Global Fund and an extensive stakeholder consultation. Based on this input, the following emerge as the priority questions for Study Area 2.

- To what extent do current Global Fund policies and procedures enable alignment with national system and programs and respect country-led formulation and implementation? To what extent has the Global Fund demonstrated flexibility in aligning with/adapting to country systems?
- To what extent have Global Fund-supported activities aligned with and built on national strategies and programs? Alternatively, to what extent have pre-existing national structures integrated themselves to the multi-stakeholder, Country Coordinating Mechanism structure?
- To what extent have Global Fund approaches to alignment furthered national system and programs that meet the needs of those affected by AIDS, TB and malaria? To what extent are efforts to align national policies and procedures paralleled by efforts to ensure that marginalized and/or vulnerable groups are effectively included? To what extent has the principle of acting as a “financial instrument” affected the parallel principle of supporting inclusive national programs through its funding decisions?
- What have been the effects, both intended and unintended, of the Global Fund grant resources on country health systems including effects on sector financing (e.g. fungibility of other funding sources) and on human resource capacity?
- From the perspective of stakeholders, what systems and procedures are in place for providing managerial and technical support to countries? What have been the strengths and weaknesses of these systems in providing support to grantees? What have been the impediments to the utilization of technical assistance?

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- What has been the quality, availability and cost of technical assistance? What role has the Global Fund played vis-à-vis its' technical partners to enable the provision of needed technical assistance is provided? To what extent has the Global Fund's functioning as a "financial instrument" impacted on its ability to ensure quality technical assistance for Global Fund supported programs?
- What has been the role and effect, both positive and negative, of the Global Fund as a new actor in the donor landscape for the three diseases? at country and global level? How do Global Fund principles and practices measure up to donor harmonization agreements? To what extent has the Global Fund responded to and adapted to improve donor harmonization?
- To what extent have Global Fund financial resources reached implementing partners and target groups? What is the timeline for the flow of resources from Global Fund to Principal Recipients, sub-recipients and to ultimate beneficiaries?
- To what extent has the Global Fund principle of public-private partnership been operationalized in countries? To what extent has the for-profit private sector engaged in governance, grant implementation and support (technical, pro-bono services) in-country? To what extent do private sector skills/ contributions improve the relevance, acceleration and performance of the Global Fund grants? What factors influence the participation or lack of participation of the private sector at country level?
- Are Global Fund supported national programs sufficiently inclusive of governments, public/private partnerships, NGOs, and civil society initiatives? What factors influence the level and quality of civil society engagement, especially people living with/affected by the diseases HIV/AIDS?
- To what extent is there evidence of a lasting effect of Global Fund resources at all levels including the grassroots? What are the likely implications for financial sustainability with grant completion? Based on the in-depth country studies, what factors will most effectively facilitate financial sustainability and the lasting effect of Global Fund resources?
- Are non-governmental groups actively engaged in grant oversight and implementation? Has the Global Fund been effective in mobilizing civil society in the response to the three diseases?
- What factors, drawn from a wide range of potential variables, most influence grant performance?
- What is the quality of services supported through Global Fund grants?
- To what extent have partners at the international level acted to facilitate grant performance through their country-based staff and other resources?

Components:

Contractors should present an evaluation design for Study Area 2 that is guided by a framework for structured analyses of partnerships as drawn from the fields of business or social science. The components of Study Area 2 include the following:

- In-depth country diagnostic assessments in both high-performing and low-performing grant countries to examine the relationships between performance and a range of key factors. Elements of the country diagnostic assessments include:

Examine the extent of alignment of Global Fund's policies and procedures with recipient country systems (including program design, M&E, program and financial management including pooled funding arrangements, procurement systems).

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- Examine the wider effects, both intended and unintended, that the Global Fund has had on country health systems, including effects on sector financing (e.g. fungibility of other funding sources) and on human resource capacity.
- Identify and analyze the extent to which Global Fund supported-activities build on, enhance the capacity of and coordinate with existing national programs in support of national policies and priorities.
- Identify and analyze the extent to which Global Fund-supported activities coordinate with projects and programs of other donors.
- Document the nature, type and extent of technical assistance provided by different partners from grants throughout the grant lifespan including how and by whom technical assistance needs were identified and acted on. Describe obstacles to timely and efficient use of technical assistance from the perspective of different actors.
- Examine the approaches and effectiveness of the response to implementation bottlenecks, through the Early Alert and Response System, as well as other means. Identify roles and actions of a range of actors including the Global Fund, Country Coordinating Mechanisms, technical partners, Principal Recipients and others.
- Determine perceptions of adequacy, quality, appropriateness and timing of technical and managerial assistance provision from perspectives of recipients, technical assistance providers and relevant stakeholders and examine recipient satisfaction with quality, timing, adequacy, and appropriateness of technical assistance.
- Analyze the role of technical assistance and management in aligning grant activities with national strategies and programs including national M&E mechanisms.
- Analyze the extent to which national programs supported are inclusive of government, public/private partnership, NGO and civil society initiatives (e.g. persons living with diseases, women & youth); and the procedures and systems put in place to assure public and private participation in proposal formulation and grant implementation.
- Analyze the extent which the Global Fund partnership and structures have fostered greater effective involvement of civil society and identify priority obstacles to effective participation.
- Examine the evidence for and likelihood of lasting effects of Global Fund-supported grant activities. Examine the likely implications for financial sustainability with grant completion and the factors which most effectively facilitate financial sustainability and the lasting effect of Global Fund resources.
- Document and examine the role of private-sector, in-country contributions to Global Fund grants for the purposes of management oversight or implementation.
- Document the extent to which the Global Fund has communicated the principle of “national ownership” to potential recipient countries and analyze how the principle is perceived, defined, and implemented by recipients and partners.
- Examine the role of partners in fostering understanding of Global Fund policies, procedures and practices and the effectiveness of their communication approaches. Identify how actors including the Country Coordinating Mechanism and Principle Recipients perceive their respective roles and responsibilities.

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- Examine the quality of services delivered through Global Fund-supported grants.
- Examine the international dimension of the Global Fund partnership system with attention to the roles of global actors in areas such as supporting technical assistance, encouraging and fostering country partnerships through their in-country presence, and in the development of supportive norms/standards and tools to advance grant performance.

Methods:

This Study Area draws on multiple methods for examine the Global Fund partnership system at two levels: the international level and country level. At country level, the Study Area will draw on integrated and in-depth study design in up to 16 countries. The Study Area will examine a range of factors associated with high-performing and low-performing country grantees. Country selection will be closely aligned to the impact evaluation comprehensive country studies. At the global level, the Study Area will employ methods to assure wide representation of experience with the role of partners in support grant performance.

This Study Area will include quantitative analyses to generalize findings across the grant portfolio. The purpose of this element is to extend observations on determinants of grant performance drawn from the in-depth country studies to the wider portfolio of grants.

Data/document review, analysis, and synthesis. Since the creation of the Global Fund, numerous multi-country studies have examined aspects of Global Fund resources and architecture at country level. In addition, abundant documentation is available describing the role and actions of partners at the international level in the Global Fund partnership. It is imperative that this Study Area is based on an extensive review and synthesis of available information from both internal and external studies on Global Fund policies, procedures, operations and results.

Contractors are invited to consider the use of meetings to convene principal investigators of studies completed or underway in order to synthesize findings, draw conclusions and develop consensus statements. For example, the numerous studies related to the systems effects of the Global Fund would lend themselves well to such a coordinated effort. Contractors are encouraged to substantially involve selected key country informants and researchers in these dialogues

In-depth diagnostic country studies in up to 16 countries to examine a range of issues related to the partnership environment in which the Global Fund resources work. Methods should be used in a standard and comparable manner across countries. The principle determinant of inclusion in the in-depth diagnostic studies is the country's participation in the impact evaluation (as either a comprehensive country study or a secondary analysis country study).

Comprehensive analysis of grant performance by country characteristics including disease burden, equity, health systems including measures of service quality, most seriously affected groups by age and gender, fragile states, donor harmonization, TA and the partner system. The quantitative analysis will require the contractor to propose means of quantifying many of the potential determinants of grant performance and measures which can be generalized across a large number of countries/grantees in the Global Fund grant portfolio. This quantitative analysis should draw from materials including grant proposals, routine reports, scorecards, LFA reports, existing internal and external studies, national strategies and plans related to three diseases and others. The resulting analyses should be compared with findings from similar analyses.

Key Informant Interviews and/or focus-group discussions with key actors both internal and external to the Global Fund such as Secretariat Staff (FPMs, EARS), the Global Task Team, USG TA, technical partner

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agencies, Principal Recipients, host-country government, Country Coordinating Mechanisms, public-private partners, academic institutions, and others.

On-line surveying and information gathering should be explored to provide information on a range of topics including the role of partners at international level. As a complement the more in-depth information gathered in the in-depth country studies, these methods can effectively provide input from individuals in a wide-range of country settings with scaled responses to allow for cross-country analysis.

Standard quality assurance approaches and methods, including self-assessment methods to provide a further analytical framework to examine the key evaluation questions.

Annex 3: Global Stakeholders Interviewed

Interview Respondent		Title	Organization
Bahl	Ms. Kanika	CHAI Regional Manager	Clinton HIV/AIDS Initiative/Clinton Foundation
Barr	Mr. David	Senior Philanthropic Advisor	Tides Foundation
Blanc	Dr. Leopold	Technical Officer	Stop TB Department, WHO
Brands	Ms. Annemieke	TBTEAM Secretariat	Stop TB Department, WHO
Carr	Mr. Richard	Partnership facilitation, Country Level Harmonization, Technical Officer	RBM
Charles Viossat*	Amb. Louis	Ambassador for the Fight Against HIV/AIDS and Communicable Diseases	France
Coleman	Ms. Ann Lion	Cognizant Technical Officer	Office of the Global AIDS Coordinator
Delay	Dr. Paul	Director, M&E	UNAIDS
Espinal	Dr. Marcos	Executive Secretary	Stop TB Partnership Secretariat
Godfrey	Ms. Andrea	Technical Officer, TB Strategy and Health Systems	Stop TB Department, WHO
Gupta*	Mr. Rajat	Senior Partner Worldwide	McKinsey & Company
Isenman	Mr. Paul	Development Co-operation Directorate	OECD
Jacobs*	Mrs. Carol	Chairman	National HIV/AIDS Commission, Barbados
Jaramillo	Dr. Ernesto		Green Light Committee
Joiner	Dr. Kabba	Director General	West African Health Organization
Kakkattil	Mr. Pradeep	Team Leader, Technical Support	UNAIDS
Kenyon	Dr. Thomas	Principal Deputy Global AIDS Coordinator and Chief Medical Officer	Office of the Global AIDS Coordinator
Kobayashi*	Mr. Toshiaki	Deputy Director, Specialized Agencies Division	Ministry of Foreign Affairs, Japan
Koek	Ms. Irene	Chief, Infectious Disease Division for the Global Health Bureau	USAID
Kolker*	Amb. Jimmy		
Loevinsohn*	Mr. Ernest	Director General, Program Against Hunger, Malnutrition and Disease	Canadian International Development Agency
Mamacos	Mr. Peter		Office of the Global AIDS Coordinator
Matiru	Mr. Robert	Operations Manager	Global Drug Facility

Annex 3: Global Stakeholders Interviewed

Interview Respondent		Title	Organization
Mögedal*	Dr. Sigrun	HIV/AIDS Ambassador	Ministry of Foreign Affairs Norway
Mohammed As'ad*	Dr. Ali	Secretary General for Technical Affairs	Ministry of Health, Jordan
Mollica*	Mr. Enrico	Administrator	European Commission-DG Development
Mtaka*	Ms. Elisabeth	Executive Director	Zambia National AIDS Network - ZNAN
Ndayishimiye*	Dr. Francoise	Executive Secretariat	National AIDS Council, Burundi
Oomman	Dr. Nandini	Director	HIV/AIDS Monitor
Oepen	Dr. Cornelius	Project Manager, BACKUp Initiative	GTZ
Peters	Dr. David	Senior Public Health Specialist	World Bank
Presern*	Dr. Carole	Counselor (Development and Specialized Institutions)	United Kingdom Mission
Raviglione	Dr. Mario	Director	Stop TB Department, WHO
Rivers	Mr. Bernard	Executive Director	AIDSPAN
Russell*	Mrs. Asia	Director International Relations	Health Gap
Saavedra*	Dr. Jorge	Director General del Centro Nacional para la Prevención del SIDA (CENSIDA)	Secretariat de Salud, Mexico
Schick	Dr. Manuel Thomas	Programme Management Advisor	UNAIDS
Sethi	Ms. Geeta	Team Leader, Financial Incentives	UNAIDS
Shackow	Mr. Alex		Independent
Shongwe	Dr. Steven	Executive Secretary	Economic Community for Southern and Central Africa
Smith	Ms. Prudence	Communications Advisor	RBM
Sommers*	Dr. Todd	Senior Program Officer, Global Health	Bill and Melinda Gates Foundation
Sorenson	Dr. Birte	Team Leader	World Bank
Steiger*	Mr. William	Special Assistant to the Secretary for International Affairs	US Department of Health and Human Services
Tiessch	Mr. Thomas	External Relations	RBM
Tomasi*	Mr. Serge	Conseiller financier pour l'Afrique	Direction du Trésor, Ministry of Finance, France
Udom	Ms. Boi-Betty	Partnership facilitation, Country Level Harmonization, Technical Officer	RBM
Wasisto	Dr. Broto	Executive Secretary / CCM GFTAM Indonesia	Indonesia

* denotes current or past board member

Annex 4: Global Fund Evaluation: Study Area 2 - Workplans for Country Partnership Assessments

TEAM LEADER FUNCTION Activities	Prior to start date			During evaluation			After evaluation (write-up)			
	3 weeks prior	2 weeks prior	1 week prior	Week 1	Week 2	Week 3	Week 1	Week 2	Week 3	Week 4
1. Protocol and Tools Development										
Review generic country protocol and tools, suggest adaptations to SA2 (Sangeeta Mookherji)										
Refining of evaluation framework and research questions										
2. Finalize CPA Team										
Review nominations from evaluation partners										
Identify gaps in team and highlight to SA2 (Sangeeta Mookherji, Barb Koloshuk)										
Submit final team members to SA2 (Sangeeta Mookherji, Peter Winch) and Evaluation Director (Eric Sarriot) for approval										
Contact CCM chair and PR representative to check proposed dates for CPA										
Work with evaluation partners to ensure that team members have contracts signed										
3. CPA preparation										
Work with host contact to identify actors outside CCM and PR for interviews										
Draw up schedule of interviews and meetings (with host contact)										
Contact Fund Portfolio Manager, share schedule of interviews and get recommendations										
Work with CSO Rep to finalize list of CSO partners for interviews and CSO Town Hall meeting (as per CSO Terms of Reference)										
Contact individuals/groups for participation in evaluation (booking interviews)										
Work with host to coordinate data collection and management										
Finalize CPA schedule for team members										
Verify tools (tape recorder, notebooks, printed Modules etc.) for data collection										
5. Country Partnership Assessment										
CPAs Team Briefing										
Team members meet to go over protocol and tools, any questions				Day 1						

The Five-Year Evaluation of the Global Fund

June 25, 2008

Annex 4: Global Fund Evaluation: Study Area 2 - Workplans for Country Partnership Assessments

	Prior to start date			During evaluation			After evaluation (write-up)			
	3 weeks prior	2 weeks prior	1 week prior	Week 1	Week 2	Week 3	Week 1	Week 2	Week 3	Week 4
TEAM LEADER FUNCTION Activities										
	Delineate roles and timeline for Team Members to write various Module Reports			Day 1						
	Team conducts initial country briefing with stakeholders									
	Initial Data Collection									
	Conduction of individual interviews									
	Manage data collection daily									
	Manage data entry team/individual (electronic notes and quantitative)									
	Hold and audio record daily team de-briefing meetings									
	Initial Review									
	Initial synthesis of findings									
	Follow-up									
	Presentation of findings to stakeholders for feedback (De-briefing)									
	Conduct follow-up interviews where needed, to refine findings									
	Follow up with Fund Portfolio Manager, share de-briefing presentation									
	6. Analysis, Synthesis, Report Writing									
Work with Team Members to identify key points to be summarized in each section of the report										
Work with team members to complete Module Reports										
Finalize CPA report under guidance of SA2 leader										
Transfer all data (see deliverables) to JHU for further analysis (electronically and by courier)										
Submit final timesheet										

Annex 4: Global Fund Evaluation: Study Area 2 - Workplans for Country Partnership Assessments

HOSTING FUNCTION Activities	Prior to start date			During evaluation			After evaluation (write-up)			
	3 weeks prior	2 weeks prior	1 week prior	Week 1	Week 2	Week 3	Week 1	Week 2	Week 3	Week 4
1. Logistics										
Identify and confirm venues for meetings and interviews										
Identify and confirm workspace for evaluation team										
Facilitate visas (if needed) for evaluation team members										
Book hotel rooms for external members of evaluation team										
2. Address IRB issues										
Submit protocol, tools and Macro IRB forms for review to in-country ethical board										
Articulate general approach (programme evaluation v. research)										
Identify in-country procedures										
3. Secondary Data Collection for CPA										
Identification of relevant grey literature in country										
Identify key country-specific documents for teams to review										
4. CPA preparation and coordination										
Assist Country Team Leader (CTL) in identifying actors outside CCM and PR for interviews										
Draw up schedule of interviews and meetings (with CTL)										
Contact individuals/groups for participation in evaluation (interviews or town hall meeting)										
Work with CTL to coordinate data collection and management										
Work with CSO Rep to arrange CSO Town Hall or focus group meetings										
Arrange and financial support participant travel to meetings as needed (car and driver hire)										
If field visits are scheduled, coordinate assessment team travel, lodging, meeting space etc.										

Annex 5. Overview of modules in Country Partnership Assessment Tool

Modules in the Guidelines for Country Partnership Assessments

	Module in CPA guidelines	Brief description of the module
1	Introductory module for each respondent group	Introductory module for each group of respondents: CCM, PR/SR, MOH, MOF, Private Partners, Development Partners, CSO Representatives
2	Private Sector Resource Mobilization	Assess the extent of private sector resource mobilization; the strategies employed; and the barriers and facilitators.
3	Harmonization	Assess the extent to which the Global Fund is harmonized with the financing and other systems of other Development Partners. Assess coordination with regard to financing of each disease program in the country.
4	In-country partnerships	Document the variations in partnership models in-country and document in-depth information on these, focusing on key relationships, roles and responsibilities for different aspects of grant implementation and performance monitoring
5	Technical Assistance	Assess the sources of technical and managerial assistance; the extent and frequency of their use and reasons; the roles and responsibilities of key stakeholders in identifying and prioritizing needs for TA and sources, by disease area; the perceived level of availability, feasibility, and quality of assistance by disease category and source
6	Country Ownership & Alignment	Assess the extent of alignment of GF protocols with in-country systems for planning, procurement, financing, M&E, etc.
7	Performance Based Funding	Identify strengths, weaknesses and opportunities for improvement in the Global Fund's model of PBF. Assess factors that have an effect on the ability of in-country partners to successfully participate in PBF. Assess how well the PBF model is working, especially with regard to M&E reporting, conditions precedent, indicator selection and target setting.
8	Procurement	Assess the functioning of procurement systems, by disease area; strengths and weaknesses; and barriers to improvement.
9	Grant Performance (This module is part of the Final Synthesis, not part of the CPA or these tools)	Assess the relative importance of each principle to grant performance and analyze grant performance, controlling for contextual factors. Identify important determinants of grant performance. Assess the quantifiability of key indicators.

The GLOBAL FUND FIVE-YEAR EVALUATION STUDY AREA 2

Guidelines and Tools for Data Collection in Country Partnership Assessments

26 June 2007

Contract Number: GVA-520-C-07-045-00



Table 1. Acronyms related to the Global Fund

CBO	Community-Based Organization
CCM	Country Coordination Mechanism
CSO	Civil Society Organization
EARS	Early Alert and Response System
ED	Executive Director
FBO	Faith-Based Organization
FPM	Fund Portfolio Manager
M&E	Monitoring and Evaluation
NGO	Non Governmental Organization
OD	Organizational Development
OIG	Office of the Inspector General
PBF	Performance-Based Funding
PLWA	Person Living with HIV/AIDS
PR	Principal Recipient
PSM	Procurement and Supply Management
RFP	Request For Proposal
SR	Sub-Recipient
TA	Technical Assistance
TERG	Technical Evaluation Review Group
TRP	Technical Review Panel
UNAIDS	The Joint United Nations Programme on HIV/AIDS
USG	United States Government
WHO	World Health Organization

Table 2. Acronyms related to the Study Area 2 and Country Partnership Assessments

CPA	Country Partnership Assessment
IRB	Institutional Review Board
PSRM	Private Sector Resource Mobilization (Module 2)
SA2	Study Area 2
TL	Team Leader
TOR	Terms of Reference

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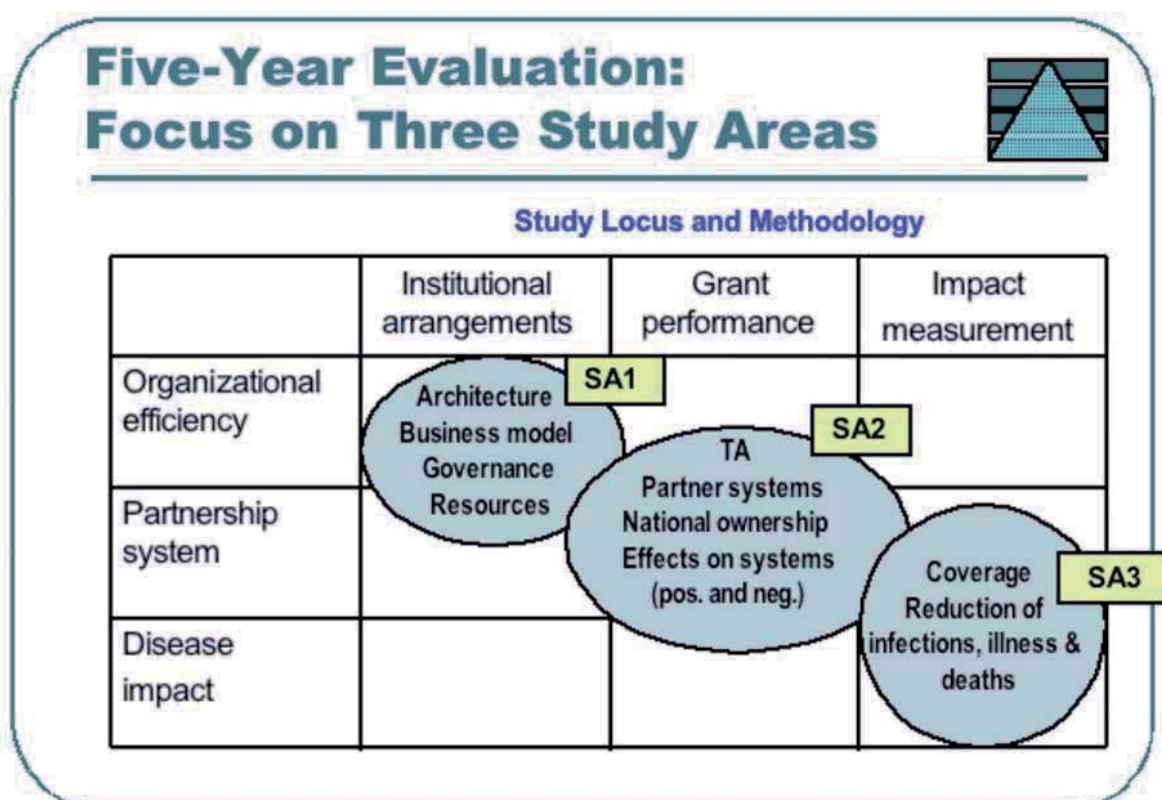
SECTION A: GENERAL GUIDELINES ON DATA COLLECTION

I. Introduction to these guidelines

This document is a guide for conducting interviews and questionnaires with various stakeholders during the course of Country Partnership Assessments (CPAs) as part of Study Area 2 in the Global Fund Five-Year Evaluation. Teams conducting the assessment in each country will need to determine what the best way is to implement this protocol. At the same time, the objectives for the CPAs must be addressed in each country. Many of the guidelines and explanations contained in this document will be self-evident for those members of CPA teams who have experience in qualitative research and program evaluation. However, they also aim to standardize the approach, and assist with orientation of less-experienced team members.

Study Area 2 principally evaluates the Global Fund partnership environment, and its implications for grant performance, at the global and country levels. Figure 1, repeated below, shows the study locus and methodology behind the Five Year Evaluation. Study Area 2 will specifically examine the Global Fund partnership at the country level. SA 2 will however dedicate considerable effort to conducting detailed country level studies. This will require collecting evidence and lessons learned in each of the 16 countries before aggregate analyses can be conducted. This document describes the conduct of the country-level work of SA 2, which will be complemented by its analyses about partnership issues at the global level.

Figure 1: Global Fund Five Year Evaluation, Study Locus and Methodology



At the country level, Study Area 2 will examine relationships between CCMs, Principal Recipients, Sub-Recipients, and between these Global Fund entities and other government, civil society and development actors at the national and global levels. These generic guidelines will

ensure that the central issues relating to the country partnership environment, its operations, and its effects on grant performance, will be addressed in the same way in each country. The protocol has 9 data collection modules, of which the first eight are implemented as part of Country Partnership Assessments. Any given respondent interviewed will be administered two or more modules, depending on her/his roles and functions, and whether the person has been asked similar questions in previous studies and evaluations.

Table 3. Modules in these guidelines for Country Partnership Assessments

	Module in CPA guidelines	Brief description of the module
1	Introductory module for each respondent group	Introductory module for each group of respondents: CCM, PR/SR, MOH, MOF, Private Partners, Development Partners, CSO Representatives
2	Private Sector Resource Mobilization	Assess the extent of private sector resource mobilization; the strategies employed; and the barriers and facilitators.
3	Harmonization	Assess the extent to which the Global Fund is harmonized with the financing and other systems of other Development Partners. Assess coordination with regard to financing of each disease program in the country.
4	In-country partnerships	Document the variations in partnership models in-country and document in-depth information on these, focusing on key relationships, roles and responsibilities for different aspects of grant implementation and performance monitoring
5	Technical Assistance	Assess the sources of technical and managerial assistance; the extent and frequency of their use and reasons; the roles and responsibilities of key stakeholders in identifying and prioritizing needs for TA and sources, by disease area; the perceived level of availability, feasibility, and quality of assistance by disease category and source
6	Country Ownership & Alignment	Assess the extent of alignment of GF protocols with in-country systems for planning, procurement, financing, M&E, etc.
7	Performance Based Funding	Identify strengths, weaknesses and opportunities for improvement in the Global Fund's model of PBF. Assess factors that have an effect on the ability of in-country partners to successfully participate in PBF. Assess how well the PBF model is working, especially with regard to M&E reporting, conditions precedent, indicator selection and target setting.
8	Procurement	Assess the functioning of procurement systems, by disease area; strengths and weaknesses; and barriers to improvement.
9	Grant Performance (This module is part of the Final Synthesis, not part of the CPA or these tools)	Assess the relative importance of each principle to grant performance and analyze grant performance, controlling for contextual factors. Identify important determinants of grant performance. Assess the quantifiability of key indicators.

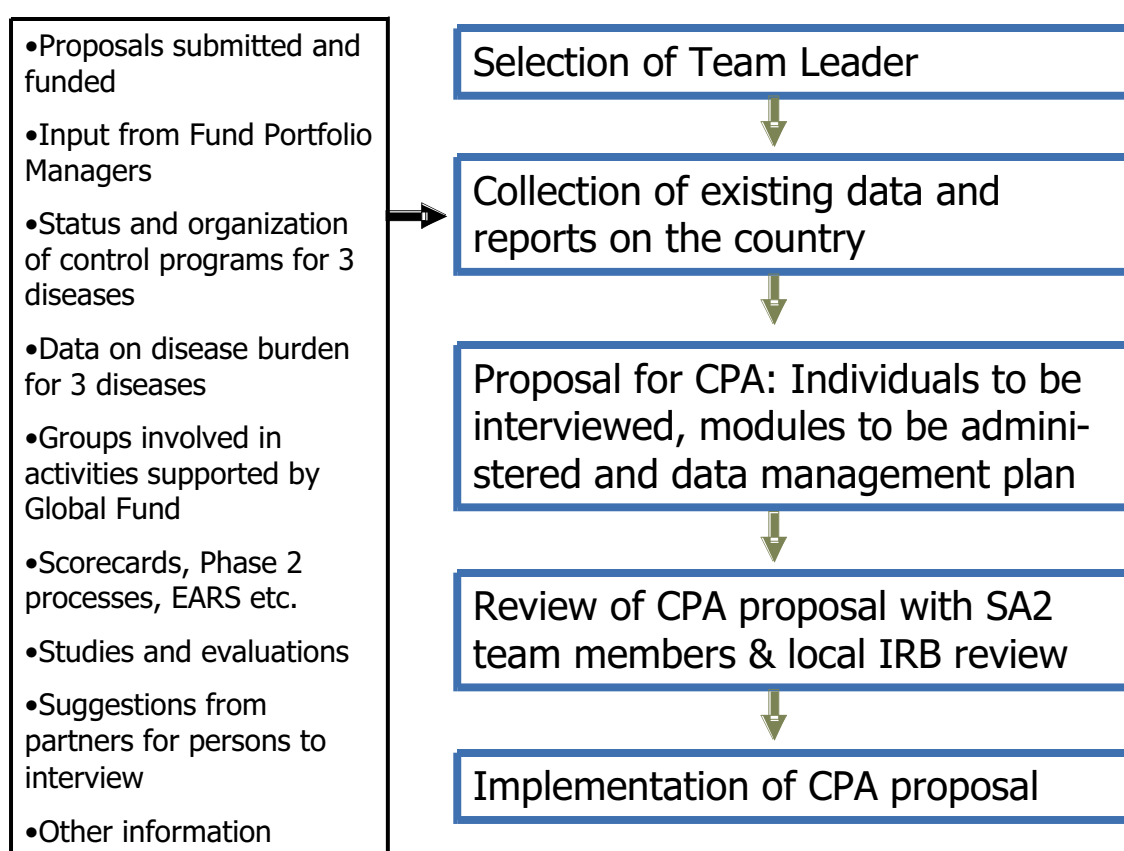
This document describes procedures for contact with human subjects, data collection and data management that will be employed in all CPAs, then presents explanations and data collection procedures for the nine modules to be implemented during the CPA visits.

II. Adaptation of guidelines to produce country-specific protocols and CPA reports

II.1. Process of adaptation of guidelines

These guidelines require adaptation prior to the start of in-country data collection for each Country Partnership Assessment. The adaptation includes selection of persons to be interviewed, selection of topic-specific modules to administer to each person (Section B), and specification of how data will be managed during CPAs. The following Figure illustrates the process of adaptation.

Figure 1. Process of adaptation of generic guidelines for CPAs for application in specific countries



The proposal for a country CPA should be 5-8 pages in length, and include these guidelines as an annex. Please also use the excel worksheets (Generic CPA Interviewee Mapping and Sample CPA Workplan_Internal Briefing) to organize and adapt the Modules and help you write the proposal for your country. The proposal should contain the following information and use these titles:

- Name of team leader. Names of team members and their roles in the CPA;
- Dates of in-country work for the Country Partnership Assessment, and deadlines for producing CPA report;
- Hosting arrangements;
- Plan for operationalizing the “double-entry” concept: contact through Global Fund entities (CCM, PR, SR) and Ministry of Health as well as contact through Civil Society Organizations;

- Plan for data management;
- Need for ethical approval to conduct the CPA, and plans for obtaining ethical approval;
- Proposed list of persons to interview and modules to be administered to each person; and
- Anticipated operational and political challenges in conducting the CPA, and plans to address these challenges. Challenges may include translation, transport within the country, non-availability of key persons during the period of in-country work and political sensitivities.

The proposed list of persons to interview should follow the excel spreadsheets mentioned above (Generic CPA Interviewee Mapping and Sample CPA Workplan_ Internal Briefing)

Table 4. Example of template for proposed list of persons to interview during CPA, taken from the excel worksheets

Country:					
Dates of in-country work:					
Person or group to be interviewed	Organization	Role in Global Fund entities (CCM, PR, SR, LFA etc.)	Modules (or parts thereof) to be administered	Availability during CPA (list dates and times)	Possible interviewer

II.2. CPA Reports

For the first round of countries, interim CPA reports need to be completed within 10 days of the completion of in-country work, so that they are available as inputs into the Study Area 2 report to be drafted August 8-10 (dates may change). It is not intended that these CPA reports will be public documents posted on the Sharepoint website for the Global Fund Five-Year Evaluation, or distributed in-country. Instead, these reports will primarily serve as inputs into the overall Study Area 2 evaluation report. It is possible that in some countries an edited version of the CPA report could be made public, but this needs to be proposed first to the management team for the evaluation and to the TERG. Until this approval is obtained, CPA reports are not to be made public.

In order to produce an interim report on such a tight timeline, the following process is recommended:

- The report should follow the formatting of this Guidelines and Tools document and have the following parts:
 1. Title page, acronyms, table of contents
 2. Team composition, persons interviewed, methods employed
 3. Findings and recommendations related to each module
 4. Findings and recommendations specific to the 3 diseases
 5. Annexes: Transcripts and tables
- A format for the report will be distributed where findings from the CPA can be entered directly.
- The second part of the CPA report (Team composition, persons interviewed, methods employed) will take as a starting point the proposal for the country CPA described in the previous section. **The Team Leader should update this CPA proposal and excel spreadsheets on a daily basis during the period of in-country work**, so that it is ready to include in the CPA report by the end of the in-country work.
- Sections 3 and 4 of the report can be produced in several ways. For example, for Section 3, there could be a debriefing with the entire CPA team every 1-2 days, and the team

leader could maintain an on-going list of findings under the categories presented in Table 1. Toward the end of the period of in-country work, the findings by module would be shared with the team members, then draft recommendations for each module would be proposed during a further meeting of the team. Alternatively, toward the end of the period of in-country work the team leader could facilitate an open discussion of the findings and recommendations for each module in a meeting of the entire team. The discussion could be recorded using a digital recorder, transcribed in full then edited by the team members for inclusion in the CPA report.

III. Data management and maintenance of confidentiality

III.1. Maintenance of Confidentiality

Confidentiality is a foundational concept in the Country Partnership Assessments. Failure to maintain confidentiality could have one or more of the following consequences:

- Jeopardize the work of the evaluation partners who are leading or hosting CPA teams, and who themselves are actively engaged in programs supported by the Global Fund in multiple countries;
- Have an adverse effect on the work of the Global Fund itself in the countries where CPAs will occur, including making it difficult for future studies or evaluations commissioned by the Global Fund to be implemented successfully;
- Lead respondents in some interviews to not provide accurate and complete answers, out of concern for what would happen if the results of the interview are made public and statements made during the interview can be attributed directly to the respondent. This in turn could lead to political consequences for the respondent, and possibly loss of employment.

The following procedures will be in place to maintain confidentiality:

- When interviews are written up, the filename will be included in the interview report or transcript, but not the name of the person interviewed. The team leader will maintain a password-protected Excel spreadsheet linking filenames with names of persons interviewed.
- Identifiers employed in CPA reports or global SA2 reports (summarizing findings from all 16 countries) will not be specific enough to allow identification of individual respondents. Examples of acceptable identifiers are shown in the following table.

Table 5. Examples of acceptable identifiers of respondents in CPA reports and global SA2 reports

	CPA reports on individual countries	SA2 reports summarizing findings across the 16 countries
Acceptable identifiers	Filename Ministry of Health official NGO Program Manager Health worker in government hospital Representative of multilateral donor Global Fund Secretariat staff	Filename Head of national malaria/ TB/ AIDS control program (country not specified) CCM Chair (country not specified) Principal Recipient for an AIDS control grant (country not specified) WHO representative in country Technical expert in global organization
Identifiers not allowed (respondent can be identified)	Head of national malaria/ TB/ AIDS control program CCM Chair Principal Recipient for AIDS control grant	Director of unit in WHO, UNICEF, UNAIDS Director of unit in specific multilateral or bilateral organization Director of a specific global initiative

	WHO representative in country Global Fund Secretariat Fund Portfolio Manager for specific country	
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III.2. Informed Consent

The protocol received approval from the Institutional Review Board of Macro International on May 14, 2007, and the approval is valid until March 1, 2008. This approval is contingent upon following of safeguards for informed consent and confidentiality. The following consent script was approved, but will need further elaboration for specific countries.

Table 6. Approved informed consent script for CPA interviews

Hello. My name is _____ and I am a member of an in-country assessment team assisting with the evaluation of the Global Fund. I'm especially interested in learning more about your perspectives around Global Fund activities in your country. If you agree, I'd like to conduct (or arrange for) an interview with you to learn more about your experiences and opinions around Global Fund activities in _____ (indicate country). The interview is confidential and your name is not recorded with your answers. The interview should take about 60 minutes. Your responses will help us better understand perspectives of Global Fund activity in your country and I will be happy to provide you with a summary report of our findings. You can refuse to answer any questions you choose.

III.3. Producing a record of qualitative interviews

A record of each interview must be produced. Module 1 is exclusively qualitative, while modules 2 through 9 have both qualitative and quantitative components. Quantitative interviews will be recorded on questionnaires and entered into a data-base that can be accessed via the SharePoint website. For the qualitative components of the interviews, there are several options. The team leader, in consultation with SA2 team members, should determine which method of producing a record of the qualitative interviews is most appropriate for the country in question. The records of the interviews will be part of the annexes of the CPA reports. Interviews for each type of respondent will be analyzed across countries at a later point in the evaluation.

The qualitative components of the CPA modules have characteristics of both qualitative research and program evaluation. These two traditions have different standards for producing records of qualitative interviews:

- In qualitative research, the gold standard is to record the entire interview and transcribe it verbatim. This is seen as the best way to ensure access to the data in close to its original form. The disadvantage of this approach is that it can take from 6 to 8 hours to transcribe a one-hour interview, longer if translation is involved. This is feasible in most qualitative studies, since a relatively small number of interviews are conducted over a period of many months.
- In program evaluation, typically the evaluator takes detailed notes for each interview. Over the course of the evaluation data are pulled from the notes to support points being made in the evaluation report. However, complete transcripts typically are not produced for individual interviews.

For the qualitative parts of the CPA modules, we will chart a middle ground between the qualitative research and program evaluation traditions for data management:

- A record in electronic form must be produced for each qualitative interview. However the individual record can be either a) a verbatim transcription of the interview, or b) a transcription of the notes taken, or c) a scanned copy of the notes in the notebook in PDF format, if the notes are taken legibly. In the case of option (c), the PDF files can be produced at some point after the period of in-country CPA work.

- The record of each interview must be in an individual file for the respondent. The rules for naming files are provided in the next section.
- Interviews can be recorded, but in many cases it is anticipated that respondents will be less likely to express their opinions openly if they know the interview is being recorded, or will not permit recording of the interview. If the interview is recorded, digital recording is preferred.
- Digital recorders can also be used to record the discussion about the interview, rather than the interview itself. This is particularly recommended where multiple interviews are conducted on one day, and more than one team member is present at each interview. In such a case, the team members might take hand-written notes during the interview. After the interview, the team members could discuss the results of the interview incorporating key points in their notes, and digitally record the discussion. The digital recording of the discussion could be transcribed at a later date, and constitute the record of the interview.

III.4. Naming of interview files

A uniform system of naming will be followed for all files containing interview data. The following rules will apply to the naming of files:

1. The same file name should be recorded on consent forms, rough notes in notebooks, expanded notes and/or digital recordings on qualitative interviews, as well as quantitative questionnaires. The file name should also be in the header along with the page number.
2. File names will have 4 parts: 1) Country domain name; 2) Interviewer initials; 3) Date; and 4) Interview number. Example:
 BF_RH_2007-06-15_02
 BF = Interview conducted in Burkina Faso
 RH = Interviewer is Rachel Hampshire
 2007-06-15 = Interview conducted on 15th June 2007
 02 = This is the second interview conducted on 15th June 2007
3. Country domain names will be the same ones used for internet addresses:

Table 7. Country domain names for the 16 CPA countries

Country	Internet domain name	Country	Internet domain name
Burkina Faso	BF	Nepal	NP
Cambodia	KH	Nigeria	NG
Ethiopia	ET	Peru	PE
Haiti	HT	Tanzania	TZ
Honduras	HN	Uganda	UG
Kenya	KE	Vietnam	VN
Kyrgystan	KG	Yemen	YE
Malawi	MW	Zambia	ZM

4. To assign names to interviews conducted at the global level, replace the two letter internet domain name for the country with the acronym for the organization, for example:

Table 8. Examples of acronyms for organizations to be used when naming files

DFID	UK Department for International Development
GF	Global Fund Secretariat in Geneva
TERG	Global Fund Technical Evaluation Review Group
UNAIDS	The Joint United Nations Programme on HIV/AIDS
USAID	United States Agency for International Development

WHO World Health Organization

Example:

GF_ES_2007-05-15_03

GF = Interview conducted with someone in the Global Fund Secretariat

ES = Interviewer is Eric Sarriot

2007-05-15 = Interview conducted on 15th May 2007

03 = This is the third interview conducted on 15th May 2007

III.5. Information included at the top of each qualitative interview transcript

No personal identifiers (name of informant and exact position/post) will be included in the data files (verbatim transcripts of interviews, notes taken during interviews, notes from discussions about interviews). This procedure for maintaining confidentiality is stipulated in the ethical approval received from the IRB of Macro International. The team leader for each CPA should record the linking information in a separate password-protected Excel spreadsheet that is only shared with CPA team members and SA2 team members. The Excel spreadsheet should have the following columns:

Table 9. Columns in password-protect Excel spreadsheet to track the interviews conducted during each CPA

▪ Filename
▪ Interviewer
▪ Name of person interviewed
▪ Organization
▪ Role in Global Fund entities (CCM, PR, SR, LFA etc.)
▪ Method to produce record of interview (VT=verbatim transcription or recorded interview, TN=Transcription of notes, TD=Transcription of discussion after the interview)
▪ Has record of interview been completed? Yes/No

All records of interviews will have the following header. This header can be copied and pasted into the file containing the record of the interview.

Table 10. Header for CPA interview records

The GLOBAL FUND FIVE-YEAR EVALUATION - STUDY AREA 2

Interview record: Country Partnership Assessment

Filename: (See previous section)

Interviewer:

Country:

Language used for interview

Date of interview:

Translator:

Modules administered:

Type of record:*

*VT=Verbatim transcription of recorded interview, TN=Transcription of notes taken during interview, TD=Transcription of discussion after the interview

III.6. Individual interviews, group interviews or focus groups?

Throughout these guidelines, interviews and questionnaires are specified as the method of data collection. CPA teams have considerable latitude to collect data through individual interviews or group interviews/focus groups, as they see fit. The strengths and weaknesses of each are listed in the following table:

Table 11. Strengths and weakness of individual and group interviews/focus groups for CPA data collection

	Individual interviews	Group interviews or focus groups
Strengths	<ul style="list-style-type: none"> ▪ Logistically easier to schedule/arrange, use the time of busy people efficiently ▪ May be easier to discuss politically sensitive topics ▪ Can go into more depth on individual perspectives on Global Fund and disease control programs 	<ul style="list-style-type: none"> ▪ May be more efficient way to use time, make contact with a number of key stakeholders at one time ▪ In some settings it is easier to discuss politically sensitive topics in a group interview ▪ May be good way to examine how different stakeholders work together on programs supported by Global Fund
Weaknesses	<ul style="list-style-type: none"> ▪ Larger number of interviews needed to include all key stakeholders ▪ People may not feel comfortable talking about their organization if their superiors in the organization are not present ▪ May be more difficult to examine how different stakeholders work together 	<ul style="list-style-type: none"> ▪ Logistically more difficult to schedule, arrange suitable “politically neutral” venue ▪ In a group interview, participants may defer to the person occupying the highest position in their organization ▪ Difficult to take good notes in a group interview

III.7. Conducting qualitative interviews

The following description of preparations to undertake for an interview will appear self-evident to many members of the CPA teams with considerable experience in qualitative research and program evaluation, but is included in case there are team members with less experience, or are less clear on the purposes of the CPA visits.

Information to review prior to administering the modules

- All proposal summaries, original proposals, grant agreements, grant performance reports and grant scorecards
- Any country reports available on the GF website
- Any CCM or PR documents that are available to you in country

Prior to the interview

- Initial contact with the respondent should be made by the team leader or the host organization for the CPA by telephone or email. It may be beneficial to send a cover letter by email or fax to confirm the time and date of the interview, indicate the estimated length of the interview, state the purpose of the interview and make clear that the results of the interview will be confidential.
- Before you start your interview questions and process, clearly articulate to yourself the objectives of the topic-specific modules you will be administering to the respondent.
- As the modules are topic-specific and not respondent-specific, you will need to review the modules prior to the interview and decide which questions will be most appropriate for the interviewee. For example, the CCM Performance Checklist will only been administered to CCM members, not to PR or SR reps.
- Choose a setting with little distraction. Avoid loud lights or noises, ensure the interviewee is comfortable (you might ask them if they are), etc. Often, they may feel more comfortable at their own places of work or homes.

- Introduce yourself, briefly explain the study; Read the consent script and explain the purpose of the interview. Emphasize that the purpose of the CPA is to evaluate the Global Fund partnership system including the system of performance-based funding, and consider ways to make the system better so as to meet the needs of country disease-control programs and health systems. Make clear that the CPA is not a formal program evaluation assessing implementation of activities supported by the Global Fund in the country.
- Address terms of confidentiality. Note any terms of confidentiality. Explain who will get access to their answers and how their answers will be analyzed. If their comments are to be used as quotes, get their written permission to do so.
- Ask for permission to record the interview or to take notes.
- Explain the format of the interview. Explain the type of interview you are conducting and its nature. If you want them to ask questions, specify if they're to do so as they have them or wait until the end of the interview.
- Tell them how to get in touch with you later if they want to – repeat this at the end of the interview. Give the respondent a Global Fund 5-Year Evaluation business card, and write your contact information in-country on the back of the card.
- Ask them if they have any questions before you both get started with the interview.

Carrying Out the Interview

1. Occasionally verify that the digital recorder (if used) is working.
2. Ask one question at a time.
3. Attempt to remain as neutral as possible. It is advised to not show strong emotional reactions to their responses.
4. Encourage responses with occasional nods of the head, eye-contact, etc.
5. Be careful about the appearance when note taking. That is, if you jump to take a note, it may appear as if you're surprised or very pleased about an answer, which may influence answers to future questions.
6. Provide transition between major topics, e.g., "we've been talking about (some topic) and now I'd like to move on to (another topic)."
7. Don't lose control of the interview. This can occur when respondents stray to another topic, take so long to answer a question that time begins to run out, or even begin asking questions to the interviewer.
8. Start with the Introductory Module (Module 1) in all cases, then apply two or more topic-specific modules. Be sensitive to the amount of time you have taken, and the amount of time the respondent has available. If you need to apply multiple topic-specific modules and the respondent has limited time on any given day, it may make sense to conduct the interview over more than one day. If this is not possible, try to be scrupulous about which questions you focus on.

Immediately After the Interview

1. Verify if the digital recorder, if used, worked throughout the interview.
2. Make any notes on your written notes, e.g., to clarify any scratchings, ensure pages are numbered, fill out any notes that don't make senses, etc.
3. Write down any observations made during the interview. For example, where did the interview occur and when, was the respondent particularly nervous at any time? Were there any surprises during the interview? Did the digital recorder stop working at some point during the interview?
4. If several CPA team members were present during the interview, consider meeting separately to share impressions of the interview. It may be good to digitally record the discussion, as it is difficult to participate in a discussion and take notes at the same time.

SECTION B: CPA MODULES

IV. Module 1: Introductory Module

IV.1. Background to Module 1

In many countries the question of funding for disease control programs is politically sensitive. Under such conditions, proceeding directly to closed-ended questions before gaining the respondent's trust is problematic. If trust has not been established, the interviewer may fail to elicit the detailed and candid responses that are necessary for the interview to meet its objectives. Furthermore, the interviewer may not gain a good understanding of who the respondent is as a person, and the multiple roles she/he plays in the country's health system.

The introductory module therefore serves the following purposes:

1. To establish trust between the interviewer and the respondent;
2. To build a solid understanding in the mind of the respondent for the purposes of the Country Partnership Assessment, and what the CPA team is and is not attempting to accomplish through interviews with key stakeholders;
3. To provide the respondent with a chance to ask questions of the interviewer, to clarify the purposes of the interview and the CPA in her/his mind;
4. To gain an understanding of the multiple roles the respondent has played over time in the country's health system in general, and in programs supported by the Global Fund in particular.
5. To ensure topic-specific modules are most relevant to the respondent.

The question of multiple roles is important to the CPA teams. In most countries, national disease control programs are a small world, and many respondents will have served in various capacities (CCM member, PR, SR) and have had multiple positions and employers (MOH, international NGO, donor, local NGO or other CSO, independent consultant) since the Global Fund was established. People who have served in multiple roles are of particular interest to us, because they may have gained a better understanding of how the overall system works, and be able to communicate how different stakeholders view the Global Fund system.

IV.2. Module 1: Introductory Module

To establish trust it may be necessary to initially set the pen and notebook aside, and chat informally. Once trust begins to be built the interviewer then begins to take notes, or to record the interview. Below is a list of suggested questions for establishing rapport and gaining an understanding of the respondent's multiple roles. It is not necessary to ask all of these questions, they should be applied in a flexible manner.

You may have the opportunity to ask some people these questions prior to country arrival. However it will also be good to start interviews with these introductory questions.

General impressions of the Global Fund

1001. When did you first hear of the Global Fund and what were your expectations of how it would function when you first heard of it?
 - a. Probe: Have things turned out differently from what you expected? Why?
1002. Briefly describe what changes you have seen in how the Global Fund has operated in your country from the first round of funding up until the present?
1003. Briefly describe some of the strengths and weaknesses of the Global Fund compared to other organizations that provide support to health programs (in your country)?

Personal involvement with the Global Fund

1004. What roles have you played in programs supported by the Global Fund?
 - a. *This will be particularly important if you are not already familiar with their past roles.*
1005. (If not currently involved in CCM) Have you yourself been a member of the CCM?
 - a. What is/was your role?
1006. (If not currently working for a PR or SR) Have you yourself worked for a Principal Recipient or Sub Recipient?
 - a. Probe: What organization?
 - b. What is/was your role?
1007. (If the respondent is not a member of a CCM, nor works for a LFA, PR or SR) How would you characterize your relationship with the Global Fund?
 - a. Probe: Briefly describe the levels at which you interact with the Global Fund (Geneva level or in-country GF entities),
 - b. The Global Fund in-country entities you interact with (PRs, SR, CCMs)
 - c. The types of interactions?

Suggestions for the evaluation

1008. *Who are some people you think we absolutely have to interview to gain a better understanding of the strengths and weaknesses of the Global Fund system?*
1009. What are the key questions you think should be addressed in order to improve the effectiveness of the Global Fund in this country?
 - a. Probe: Why are these important questions?

V. Module 2: Private Sector Resource Mobilization

V.1. Background to Module 2A

One expected effect of the Global Fund's public-private partnership model at the global level was to catalyze the mobilization of additional resources from the private sector at the country level. Previous assessments have largely determined that this effect has not been manifested to the extent desired¹. SA2 will devote considerable effort to interviewing existing and potential private sector contributors at the country level to programs receiving support from Global Fund. CPAs will assess the extent of private sector resource mobilization, the strategies employed, and barriers and facilitators to private sector resource mobilization.

This module will examine the financial contributions made by the private sector, and determine whether in-kind contributions have been offered or accepted. It will also try to determine if there is a general lack of awareness about the Global Fund within the private sector, and whether there is additional opportunity for in-country resource mobilization from the private sector.

It is not necessary to ask all of these questions, they should be applied in a flexible manner. We have highlighted some questions that are more critical for the evaluation and warrant greater attention. If participants have time and/or you notice that they have more enthusiasm to give detailed responses in the interviews, you can address all questions that pertain to their role with respect to the Global Fund partnership. If the respondent is pressed for time or feeling "evaluation overload", you may wish to stick to the highlighted questions.

¹ Bezanson (2005), Kruse (2006)

V.2. Module 2A: Private Sector Resource Mobilization: Private Sector Partners

These questions should be asked of representatives of private sector partners. Both those who have and have not contributed financially or in-kind to the Global Fund.

2101. What is your perception of the Global Fund?

- Probe: Overall goals and objectives
- Ongoing activities in country/globally
- Global Fund approaches used for giving grants
- Key stakeholders in the Global Fund/in-country/globally
- Based on your knowledge of the Global Fund, what is your perception of the effectiveness of the Global Fund/in-country/globally?

2102. Do you contribute to the Global Fund? Y/N

- Probe: If yes, why did you decide to make contributions?
- What kind of donations do you make?
 - Monetary, in-kind, co-investment, technical support etc.
 - How much, to whom or in partnership with whom?
- Who is your primary Global Fund contact?
- If not, would you consider making contributions, why or why not?
- Are you a member of the CCM? Y/N
- Probe: if so, what is your role on the CCM?

2103. If you are collaborating with the Global Fund, how do you think it is working?

- In general, is it a successful collaboration/partnership? (circle one)

1. Not successful	2. Somewhat successful	3. Very successful
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- Probe: What are the strengths and weaknesses of this collaboration/partnership?
- Do you have any suggestions to strengthen or improve the collaboration?

2104. Have you ever tried but not succeeded to contribute to the Global Fund? Y/N

- Probe: please describe what happened

2105. Do you contribute to any other HIV, TB or malaria related activities either directly or in collaboration with other organizations/businesses? Y/N (Interviewer: note which disease(s))

- Probe: What type of contribution are you making?(cash contributions or grants; in-kind donations of goods or services such as office space, equipment, management support, logistical support, staff time, industry-specific expertise; or co-investment initiatives in partnership with public and private sector actors and donors)? Please specify.

2106. Are the following criteria important to your company in deciding to contribute to health-related activities?

Criterion	1. Not at all important	2. Not so important	3. Somewhat important	4. Very important	5. Essential
a. Targeted beneficiaries					

Criterion	1. Not at all important	2. Not so important	3. Somewhat important	4. Very important	5. Essential
(i.e., employees and their families, community, specific groups such as youth, women etc.)					
b. Company's profile globally or in the community.					
c. Employee health					
d. Employee satisfaction/morale					
e. Charity organization's giving procedures and mechanisms					
f. Objectives of the program in which the company is investing					
g. Reputation of the charity/partner organization to whom the company is giving					
h. Monitoring and evaluation system of the charity/partner organization					
i. Existing links with the charity/partner organization (personal contacts or otherwise)					
j. Tax or other financial benefits					
k. Other: describe					

V.3. Background to Module 2B: Private Sector Resource Mobilization: CCM/MOH

One reason that private sector resources have not yet been mobilized to the extent desired may be due to a lack of clarity around roles and responsibilities (among LFA, CCM, PR, SR) for resource mobilization. Additional resource mobilization may also be a low priority among Global Fund country partners. This module will specifically investigate these issues.

The intended audience for this module is the private sector rep on the CCM (if there is one) because that person would be the natural liaison with the private sector AND at the National AIDS program or the MOH, if there is a staff member who is private sector/business liaison. Additionally, if there is a national business council or a chamber of commerce, then ask them these questions to get at whether there have been any efforts made to have additional funds contributed.

V.4. Module 2B: Private Sector Resource Mobilization: CCM/MOH

2201. What is your role in private sector resource mobilization for Global Fund grants?

2202. Please describe current private sector contributions to the Global Fund.

a. Probe: Can you provide materials, documents or records regarding these contributions?

i. Interviewer: Gather data to fill in the table below

The interviewer may ask this as a qualitative question and the table below will be used for reporting purposes. You can fill in the responses in the table at a later time for inclusion in the CPA report using documents collected. Also report any qualitative findings.

	Monetary Support (\$)	In-kind Support	
		Type of support	(value in \$)
Grant:			
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
Grant:			
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
Grant:			
Year 1			
Year 2			
Year 3			

	Monetary Support (\$)	In-kind Support	
		Type of support	(value in \$)
Year 4			
Year 5			
Grant:			
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			

2203. Is there a private sector resource mobilization strategy at the country level? Y/N

Describe

- a. *Note to interviewer: If at all possible, try to access any documentation about this process e.g. if there is a written plan.*
- b. Probe: What kinds of guidance, support or technical assistance have you received from the Global Fund to mobilize additional resources?
- c. What additional support, if any, would assist you in mobilizing private sector resources
- d. Do you target specific types of companies: (Circle all that apply)
 - i. Companies offering health products (ITNs, medicines, etc)
 - ii. Companies offering program-related services?
 - iii. Companies that have successfully bid under Global Fund-funded programs
 - iv. Chambers of commerce and/or business associations with access to networks
 - v. Large domestic companies
 - vi. Small domestic companies
 - vii. Multinational companies
 - viii. Other (please specify)
- e. How do you approach the companies/private sector entities?
 - i. General presentations to executives, business associations
 - ii. Brochures and other written material
 - iii. Use of websites/email/local media
 - iv. Specific proposals for support
 - v. Informal networks/personal contacts
 - vi. Other

2204. Have you been successful in mobilizing private sector contributions? (circle one)

1. Not successful	2. Somewhat successful	3. Very successful
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- a. **What challenges have you faced in mobilizing, receiving, and or implementing private sector contributions?**
- b. **What challenges have you faced monitoring and evaluating private sector resource contributions?**

2205. How important is it to mobilize private sector resources for Global Fund grant performance, sustainability and impact in this country?

I. Probe: please describe why they are or are not important.

Note to interviewer: record quantitative and qualitative responses.

	1. Not at all important	2. Not so important	3. Somewhat important	4. Very important	5. Essential
a. Performance					
b. Sustainability					
c. Impact					

2206. At the national level, how important are private sector contributions to HIV/AIDS, TB and Malaria programs?

I. Probe: please describe why they are or are not important.

Note to interviewer: record quantitative and qualitative responses.

Program	1. Not at all important	2. Not so important	3. Somewhat important	4. Very important	5. Essential
a. HIV/AIDS					
b. TB					
c. Malaria					

VI. Module 3: Harmonization

VI.1. Background to Module 3

Harmonization is a concept that is central to definitions of system-wide effects, and, along with alignment, has relevance for measuring additionality and sustainability. The extent to which the Global Fund's planning, implementation and reporting processes are harmonized with other donors' requirements reduces the transaction costs of receiving Global Fund grants. It also reflects the level and quality of partnership that the Global Fund has with other development partners, at the global and country levels.

This module will assess the aggregate effects of the Global Fund on overall funding for the 3 diseases; the degree of harmonization with other donors' planning and implementation procedures; how well the Global Fund contributes to and adapts to support harmonization and the "Three Ones"; and whether the Global Fund has opportunity to improve donor harmonization at the country level.

It is not necessary to ask all of these questions, they should be applied in a flexible manner. We have highlighted some questions that are more critical for the evaluation and warrant greater attention. If participants have time and/or you notice that they have more enthusiasm to give detailed responses in the interviews, you can address all questions that pertain to their role with respect to the Global Fund partnership. If the respondent is pressed for time or feeling "evaluation overload", you may wish to stick to the highlighted questions.

VI.2. Module 3A: Disease program specific

By Disease are (HIV, TB, Malaria)

The intended audience for the following questions are development partners, donors in the three disease arenas, and to the national disease program heads. Please adapt the questions for the disease area.

3101. How has receiving Global Fund grants affected cumulative support to the national HIV/AIDS program?

- a. Probe: Has it been a net addition? Y/N
- b. Has it been a financial addition? Y/N
- c. Has it been an addition in terms of needed or neglected activities/projects? Please give examples.

3102. How has the donor landscape for HIV/AIDS changed after Global Fund grants were approved?

- a. Probe: have any donors become less active? Y/N
How? Give examples or reasons.
- b. Have any donors become more active? Y/N
How? Give examples or reasons.

3103. As a new actor in the donor landscape, what have the primary effects of the Global Fund been on how the HIV/AIDS program interacts with traditional donors?

- a. Probe: Describe the changes

Budget analysis

Note to interviewer: Please ask to see the national disease program budgets starting from 2 years prior to Global Fund grant signing please try to get this ahead of time, the host or local CSO may be able to do this). You may want to ask for this and allow the program a few days to gather the information. To the extent possible, request budget contribution information from other donors to compare with the national disease program over time. From other donors or international NGOs, you could ask them for other existing documents that would have this information such as annual reports.

In the budget analysis, we will be looking for:

- The total number of donors and the share of funding provided, pre- and post- Global Fund grants
- The changes in level of funding by each donor over time, and whether any donors dropped out
- The overall level of funding over time

We anticipate the primary respondent for this table will be the head of the national disease programs and the PR if they have experience with other donors; supplementary respondents would be other donors who are familiar with Global Fund systems/processes (USAID, Other Gov'ts).

3104. How harmonized are the following for HIV/AIDS programs?

Processes	1. Not at all harmonized	2. Somewhat harmonized	3. Entirely harmonized
a. What is the extent of harmonization between GF HIV/AIDS Grants and			

other donors' planning cycles			
b. What is the extent of harmonization between indicators used for GF HIV/AIDS Grants and the indicators used for reporting to other donors?			
c. What is the extent of harmonization between GF HIV/AIDS Grant reporting requirements and the reporting for other donors?			
d. What is the extent of harmonization between financial reporting for GF HIV/AIDS Grants and for other donors?			
e. What is the extent of harmonization between auditing requirements for GF HIV/AIDS Grants and for other donors?			
f. What is the extent of harmonization between procurements requirements for GF HIV/AIDS Grants and for other donors?			

3105. For those cases where the grant is not at all harmonized, please describe the barriers to harmonization.

3106. For those cases where the grant is well harmonized, please describe what has facilitated harmonization.

Tuberculosis

The intended audience for the following questions are development partners, donors in the three disease arenas, and to the national disease program heads. Please adapt the questions for the disease area.

3107. How has receiving Global Fund grants affected aggregate support to the national TB Control program?

- Probe: Has it been a net addition? Y/N
- Has it been a financial addition? Y/N
- Has it been an addition in terms of needed or neglected activities/projects? Please give examples.

3108. How has the donor landscape for TB Control changed after Global Fund grants were approved?

- Probe: have any donors become less active? Y/N
How? Give examples or reasons.
- Have any donors become more active? Y/N
How? Give examples or reasons.

3109. As a new actor in the donor landscape, what have the primary effects of the Global Fund been on how the TB program interacts with traditional donors?

a. Probe: Describe the changes

Budget analysis

Note to interviewer: Please ask to see the national TB program budgets starting from 2 years prior to Global Fund grant signing. You may want to ask for this and allow the program a few days to gather the information. To the extent possible, request budget contribution information from other donors to compare with the national disease program over time.

In the budget analysis, we will be looking for:

- The total number of donors and the share of funding provided, pre- and post- Global Fund grants
- The changes in level of funding by each donor over time, and whether any donors dropped out
- The overall level of funding over time

We anticipate the primary respondent for this table will be the head of the national disease programs and the PR if they have experience with other donors; supplementary respondents would be other donors who are familiar with Global Fund systems/processes (USAID, Other Gov'ts).

3110. How harmonized are the following for TB?

Processes	1. Not at all harmonized	2. Somewhat	3. Entirely
a. What is the extent of harmonization between GF TB Grants and other donors' planning cycles			
b. What is the extent of harmonization between indicators used for GF TB Grants and the indicators used for reporting to other donors?			
c. What is the extent of harmonization between GF TB Grant reporting requirements and the reporting for other donors?			
d. What is the extent of harmonization between financial reporting for GF TB Grants and for other donors?			
e. What is the extent of harmonization between auditing requirements for GF TB Grants and for other donors?			
f. What is the extent of harmonization between procurements requirements for GF TB Grants and for other donors?			

3111. For those cases where the grant is not at all harmonized (answered 1), please describe the barriers to harmonization.

3112. For those cases where the grant is well harmonized (answered 3), please describe what has facilitated harmonization.

Malaria

The intended audience for the following questions are development partners, donors in the malaria arena, and to the malaria national program heads.

3113. How has receiving Global Fund grants affected aggregate support to the national malaria program?

- a. Probe: Has it been a net addition? Y/N
- b. Has it been a financial addition? Y/N
- c. Addition in terms of needed or neglected activities/projects? Please give examples.

3114. How has the donor landscape for malaria changed after Global Fund grants were approved?

- a. Probe: have any donors become less active? Y/N
How? Give examples or reasons.
- b. Have any donors become more active? Y/N
How? Give examples or reasons.

3115. As a new actor in the donor landscape, what have the primary effects of the Global Fund been on how the malaria program interacts with traditional donors?

- a. Probe: Describe the changes

Budget analysis

Note to interviewer: Please ask to see the national malaria program budgets starting from 2 years prior to Global Fund grant signing. You may want to ask for this and allow the program a few days to gather the information. To the extent possible, request budget contribution information from other donors to compare with the national disease program over time.

In the budget analysis, we will be looking for:

- The total number of donors and the share of funding provided, pre- and post- Global Fund grants
- The changes in level of funding by each donor over time, and whether any donors dropped out
- The overall change in funding over time

We anticipate the primary respondent for this table will be the head of the national disease programs and the PR if they have experience with other donors; supplementary respondents would be other donors who are familiar with Global Fund systems/processes (USAID, Other Gov'ts).

3116. How harmonized are the following for malaria?

Processes	1. Not at all harmonized	2. Somewhat	3. Entirely
a. What is the extent of harmonization between GF malaria Grants and other donors' planning cycles			
b. What is the extent of harmonization between indicators used for GF malaria Grants and the indicators used			

for reporting to other donors?			
c. What is the extent of harmonization between GF malaria Grant reporting requirements and the reporting for other donors?			
d. What is the extent of harmonization between financial reporting for GF malaria Grants and for other donors?			
e. What is the extent of harmonization between auditing requirements for GF malaria Grants and for other donors?			
f. What is the extent of harmonization between procurements requirements for GF malaria Grants and for other donors?			

3117. For those cases where the grant is not at all harmonized, please describe the barriers to harmonization.

3118. For those cases where the grant is well harmonized, please describe what has facilitated harmonization.

VI.3. Module 3B: General Coordination and Harmonization

The intended audience for the following questions is the Ministry of Health officials (admin finance director, M & E director, the director general of health etc.) and Ministry of Finance if involved in Global Fund disease areas financial reporting. You may also like to ask these questions of other public sector donors such as other Government donors (USAID, PEPFAR, German gov. etc.)

3201. How does the CCM relate to other donor coordination mechanisms in country?

- a. Probe: Has the CCM displaced or superseded existing donor coordination mechanisms? Y/N Explain.
- b. Is the CCM overshadowed by existing coordination mechanisms? Y/N Explain
- c. How has the CCM contributed to donor coordination?

3202. In your experience to date, what aspects of the Global Fund partnership model do you find to be successful in this country and what parts do you find to be less successful?

- a. Do you have any suggestions for improving this?

3203. Does your organization have any co-financing arrangements with the Global Fund? Y/N

- a. Probe: in-country or at global level
- b. For what?
- c. Describe how the arrangement came about

3204. Is there an agreed upon Technical Assistance plan among donors? Y/N

- a. Probe: specifically for GF grants?
- b. Generally, for TB or HIV/AIDS or malaria?

3205. Has the Global Fund been successful in improving donor harmonization?

Please rate:

1. Not successful	2. Somewhat successful	3. Very successful
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- a. If not successful (1), please describe the failures or challenges.
- b. If rated very successful (3), please describe how.

3206. How well do the Global Fund's practices in country follow global or local donor harmonization agreements?

Please rate:

1. Not at all	2. Somewhat	3. Completely
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- a. If rated not at all (1), please describe the barriers or challenges.
- b. If rated completely (3), please describe why.

3207. What could the Global Fund do to improve donor harmonization?

- a. Probe: what adaptations could the Global Fund make?

3208. Keeping in mind the Global Fund's principles, are there any national or international agendas that you think the Global Fund should be fully harmonized with?

- a. Probe: Why or why not?
- b. In what ways should they harmonize?

Ask this of HIV/AIDS related persons.

3209. Has your organization committed to the “Three Ones” principles? Y/N

a. Probe: please describe policies or principles which commit to the “Three Ones”

3210. How has the Global Fund aligned mechanisms in-country with the principles of the “Three Ones”?

VII. Module 4: In-Country Partnerships

VII.1. Background to Module 4

One of the main principles examined in this evaluation is that of the Global Fund operating through partnership systems at the global and country levels. There has been variability in the way partnership models have been operationalized and how they function. Therefore, one objective of this module is to describe the different types of partnerships for different processes related to Global Fund grants, the links among in-country and global partners, and the effectiveness of the partnerships.

The Global Fund envisioned the Country Coordinating Mechanism (CCM) as the central mechanism for operationalizing partnerships that represented all relevant constituencies in country, one that would build on pre-existing structures. However, the partnership model that the Global Fund promotes could not always be accommodated in existing country structures, and many countries had to establish CCMs from scratch. The CCM model itself has evolved, especially since actions taken based on the 2005 CCM Assessment. The CPA will update these findings by re-applying key pieces of the CCM Assessment tools.

A key principle of partnership as defined in the Global Fund model is the inclusion and active participation of CSOs. This module will identify the representation and participation of CSOs in key processes related to Global Fund grants (see above), as well as explore contextual factors, such as pre-existing tensions between government and CSOs, and whether the Global Fund model has facilitated improved partnerships over time.

In addition, this evaluation will identify CSO respondents using local CSO representatives and networks, and will hold confidential interviews and focus groups in the style of town-hall meetings. This will explore contextual factors and local relations among public, civil society, and the private sectors, and how the Global Fund has affected these relationships.

Objectives of this module

After applying this module, we should learn:

- the GF partnership model in this country and the roles of different partners in GF processes
- Update progress on the CCM performance
- Re-application of key pieces of 2005 CCM Baseline
- Map the SR network
- Facilitate CSO town hall meeting on CCM representational issues and how GF has affected CSO relationships in country

VII.2. Module 4A, In-country partnerships

It is not necessary to ask all of these questions, they should be applied in a flexible manner. We have highlighted some questions that are more critical for the evaluation and warrant greater attention. If participants have time and/or you notice that they have more enthusiasm to give detailed responses in the interviews, you can address all questions that pertain to their role with respect to the Global Fund partnership. If the respondent is pressed for time or feeling "evaluation overload", you may wish to stick to the highlighted questions.

The intended audience for this module is the current members of the CCM and also some former CCM members if they are available. The former CCM members will be targeted differently for each country.

4101. If you are a member of the CCM, how would you rate your level of participation on the CCM? (circle one)

1. Observer / inactive partner	2. Active partner	3. Lead partner
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4102. Do you feel your role is appropriate? Y/N

a. Why or why not?

4103. How often does the Global Fund Secretariat visit your country?

- a. Probe: who visits? (e.g. FPM, CCM manager, M&E unit, LFA manager, other)
- b. What is the purpose of their visits?

4104. Depending on your role with the Global Fund entities, how do you communicate with the following:?

- a. CCM
 - i. Probe: who initiates communication with whom?
 - ii. How often?
- b. PR
 - i. Probe: who initiates communication with whom?
 - ii. How often?
- c. SR
 - iii. Probe: who communicates with whom?
 - iv. How often?
- d. Secretariat
 - v. Probe: who communicates with whom?
 - vi. How often?

Ensure you have an up to date list of the current CCM members. The following questions can be asked of all partners in country. CCM members who have been involved for longer may have more insight about changes over time.

4105. How would you describe the roles and responsibilities of the CCM and its members?

- a. Probe: What does the CCM do?
- b. How have the roles of the CCM changed since 2005?

4106. How has the composition of the CCM changed since 2005? Please describe

- a. Probe: what were the changes in composition?

- b. Why do you think these changes occurred?
- c. In terms of representation, what other changes are needed?

4107. Please describe for me the process for selection of CCM members in your country.

- a. Probe: are there criteria for inclusion Y/N
- b. Is there a documented process? Y/N
- c. How have the criteria changed since 2005?
- d. How are member organizations classified? (e.g. disease specific, Faith based, Professional, Ethnic affiliation?)

4108. Please identify the partners* and describe how they are involved in the processes listed in the left column. After all the partners have been identified, please discuss of the partnership system (i.e. the partners working together) for each process.

Processes	Partners involved in this process	Strengths of this process and partnership	Weaknesses of this process and partnership
a. Prioritizing Intervention activities			
b. Grant proposal development			
c. Budget development			
d. Work plan development			
e. Procurement for grants			
f. Grant programme implementation			
g. Grant oversight			
h. Selecting indicators for monitoring and evaluation			
i. Data collection for monitoring and evaluation			
j. Reporting for monitoring and evaluation			
k. Data quality verification			
l. Other routine reporting for Global Fund grants			

* 1. CCM

2. LFA

3. PR (give name of organization)

4. SR (give name of organization)

5. Global Fund Secretariat (give name or unit)

6. In-country development partner (give name)
7. Global level partner (e.g. UNAIDS, Roll back malaria, Stop TB, PEPFAR, President's Malaria Initiative... give name)
8. Non-recipient CSO (give name)

4109. For those processes where the Global Fund Secretariat plays a lead or central role, is it possible for an in-country partner to take over that role? Y/N
Please describe how.

4110. In your opinion, are there any groups who are major actors in HIV/AIDS, tuberculosis and/or malaria who are NOT included in the CCM or other Global Fund structures? Y/N

- a. Probe: Who: (e.g. CSOs, patient's associations, government entities, private sector,)
- b. Are their views/concerns addressed within the CCM? If so, how and if not, why not?
- c. Are there plans to involve them in the future?

4111. It has been a recommendation by The GF Board recently that for each country proposal, there can be more than one PR, for example, one GO and one NGO as PRs, what is your opinion about this?

- a. Probe: would it have helped to have this arrangement before? Y/N
- b. If so, please give an example relating to the grants in your country.

If there is a Regional Grant involving this country ask:

4112. Are you aware of any relationship with the Regional Coordinating Mechanism? Y/N
- a. Probe: please describe

CCM Performance Checklist

Instructions: The CCM Performance Checklist is a document-verified survey. Each "yes" response must be accompanied by the name/title of the document that can be consulted to verify the response. Possible types of documents and suggested data sources for verifying each response are indicated at the beginning of each of the three major sections (I. Composition and Representation, II. Participation and Communication, and III. Governance and Management). Please record the actual data source used for each response. Every effort should be made to ensure the confidentiality and/or anonymity of these responses.

Please note – the checklist makes many references to the word “constituencies,” which also means “external stakeholders” or “sectors.”

Composition and Representation

Suggested data sources/documents:

- CCM Constitution or Terms of Reference
- Procedures manual for the CCM
- Reports and communiques from sub-national CCMs or state/province-level committees
- Link to web posting of non-government CCM members and the processes by which they were selected by each sector
- Any other documentation processes
- Membership List (detailed by member's name, organization, sector)
- Minutes of CCM meetings (attendance lists)
- Voting records (showing names of members voting)
- Signatures on dated proposals submitted to GF
- Link to web posting of CCM membership list
- Any other documented processes for publicly sharing CCM membership of people living with and/or affected by HIV/AIDS, TB, and/or malaria

	Answer	Document Name
4202. Are all constituencies represented in the CCM?	Yes/No	
a. Are Academic/Educational Sectors represented in the CCM?	Yes/No	
Comment:		
b. Is Government represented in the CCM?	Yes/No	
Comment:		
c. Are NGOs/Community-Based Organizations represented in the CCM?	Yes/No	
Comment:		
d. Are People living with and/or affected by HIV/AIDS represented in the CCM?	Yes/No	
Comment:		
e. Are grassroots TB organizations represented in the CCM?	Yes/No	

Comment:		
f. Are grassroots malaria organizations represented in the CCM?	Yes/No	
Comment:		
g. Is the Private Sector represented in the CCM?	Yes/No	
Comment:		
h. Are Religious/Faith-Based Organizations represented in the CCM?	Yes/No	
Comment:		
i. Are Multilateral and Bilateral Development Partners in-country represented in the CCM?	Yes/No	
Comment:		
4203. Attach list of members (including constituency)		
4204. If "no" (to any of the above), what is planned to address this situation?		
I. Composition and Representation (continued)	Answer	Document Name
	Proportion (%)	
4205. What proportion of CCM members are women?		
Comment:		
	Proportion (%)	
4206. What proportion of CCM members represents the non-government sector?		
Comment:		
II. Participation and Communication		
Suggested data sources/documents: CCM records, including meeting minutes, member lists, and other paper documents	Answer	Document Name
4207. Does the CCM have regular meetings?	Yes/No	
4208. If "yes", please tick appropriate box:		
a. Once per year	<input type="checkbox"/>	
b. Up to twice per year	<input type="checkbox"/>	
c. Up to four times per year	<input type="checkbox"/>	
d. More than four times per year	<input type="checkbox"/>	
Comment:		
4209. If "no", what is planned to address this situation?		
4210. Do you have access to key documents?	Yes/No	

4211. If "yes", please tick all appropriate box(es):		
a. Minutes	<input type="checkbox"/>	
b. Principal Recipient disbursement reports	<input type="checkbox"/>	
c. Local Funding Agent reviews	<input type="checkbox"/>	
d. Disbursement decisions	<input type="checkbox"/>	
4212. If "yes", how is this assured?		
4213. If "no", what is planned to address this situation?		
4214. Can you document a consultation process with your members?	Yes/No	
a. Can the Academic/Educational Sector document a consultation process with their members?	Yes/No	
Comment:		
b. Can the NGOs/Community-Based Organizations (represented on the CCM) document a consultation process with their members?	Yes/No	
Comment:		
c. Can People living with and/or affected by HIV/AIDS, TB and/or Malaria (who are members of the CCM) document a consultation process with their members?	Yes/No	
Comment:		
d. Can the Private Sector document a consultation process with their members?	Yes/No	
Comment:		
e. Can the Religious/Faith-Based Organizations document a consultation process with their members?	Yes/No	
Comment:		
4215. If "yes" (to any of the above questions a-e), how is it assessed and documented?		
4216. If "no" (to any of the above questions a-e), what is planned to address this situation?		
4217. Is relevant information related to the Global Fund made available to anyone that is interested in the country?	Yes/No	

a. Are calls for proposals made available to all interested parties in the country?	Yes/No	
b. Are decisions taken by the CCM made available to all interested parties in the country?	Yes/No	
c. Is information on approved proposals made available to all interested parties in the country?	Yes/No	
4218. If "yes", how is information made available?		
4219. If "no", what is planned to address this situation?		
4220. Do you feel that there are any organizations that are not represented on the CCM which should be?		

III. Governance and Management

Suggested data sources/documents:

- Minutes of CCM meetings (records of decisions taken regarding accepted/rejected proposals, documentation of stakeholders' input and participation, discussions about and votes on conflict of interest policy or plan and discussions about applications of the conflict of interest policy or plan to address situations of perceived conflicts of interest)
- Minutes of CCM Secretariat meetings (records of decisions about PR nominations, results of votes, definitions of what constitutes a quorum for selection of the PR, periodic financial and program status reports and/or budget reviews of PRs and sub-recipients, approvals, and voting)
- Minutes of meetings of technical panels that evaluate proposals
- Terms of Reference for CCM, TOR for CCM Chair/Permanent Secretary, TOR for CCM Secretariat
- Terms of Reference and/or CCM Constitution with conflict of interest amendments
- CCM Procedures Manual
- Proposals to the GF that describe how the CCM will oversee the PR(s) implementation responsibilities and how the CCM will be involved in planning and decisions during implementation
- Archive of submitted proposals (tracking sheets, written records evaluating the potential proposals)
- Link to web posting of proposal announcements, decision awards, minutes, CCM Constitution, etc.
- Written criteria for nomination/selection of the Principal Recipient
- CCM workplan describing process for overseeing program implementation
- Written conflict of interest policy and conflict of interest plan
- Newspaper or email announcements (with distribution lists) inviting stakeholders to participate
- Any other documented mechanisms for making the proposal process public (websites, newsletters, etc.)

	Answer	Document Name
4221. Are the Chair and Vice-Chair from different constituencies?	Yes/No	
Comment:		
4222. If "no", what is planned to address this situation?		
4223. Is the Principal Recipient (PR) from the same entity/group as the Chair or Vice-Chair?	Yes/No	
Comment:		

4224. If yes, is there a written plan to mitigate against inherent conflict of interest (please attach)?	Yes/No	
Comment:		
4225. Is the CCM secretariat supported by designated staff?	Yes/No	
Comment:		
4226. If "yes", please explain how.		
4227. If "no", what is planned to address this situation?		
4228. Does the CCM have written TOR (terms of reference)/ bylaws/ operating procedures?	Yes/No	
4229. If yes, do they include (please tick and attach)		
a. procedure for selection of Chair/Vice-chair,	<input type="checkbox"/>	
b. mechanism for decision making,	<input type="checkbox"/>	
c. defined roles and responsibilities vis-à-vis other relevant coordinating bodies,	<input type="checkbox"/>	
d. conflict of interest policy,	<input type="checkbox"/>	
e. equal voting rights of all members/constituencies,	<input type="checkbox"/>	
f. guidelines for ethical behavior	<input type="checkbox"/>	
Comment:		
4230. If "no", what is planned to address this situation?		
<i>Find this ahead of time and then ask about whether they have access to it</i>		
4231. Does the CCM have a documented transparent process to (please attach):		
a. solicit and review submissions for possible integration into the proposal,	Yes/No	
b. nominate the Principal Recipient	Yes/No	
c. oversee program implementation	Yes/No	
4232. If "no", what is planned to address this situation?		

4233. Does the CCM have a documented transparent process to ensure the input of a broad range of stakeholders (please attach):	Yes/No	
a. in the proposal development, including		
i. CCM members	Yes/No	
ii. Non-CCM members	Yes/No	
b. in the oversight process, including		
i. CCM members	Yes/No	
ii. Non-CCM members	Yes/No	
4234. If "no", what is planned to address this situation?		
4235. Does the CCM have a written conflict of interest policy?	Yes/No	
4236. If "yes", please attach:		
4237. If "no", what is planned to address this situation?		

a. Module 4C, SR Mapping

Please ask a representative of the PR to provide documentation for you to fill out the following tables.

HIV/AIDS Grants

4301. Grant Num ber:	1a. Name of organization	1b. Organization constituency* (insert all that apply)	1c. Type of work^ (insert all that apply)	1d. Total \$ allocated from the grant (over its life)	1e. \$ disbursed from the grant (list individual disbursements)	1f. List date of disbursement of \$ from the grant	1g. Total cumulative \$ disbursed to date
1 SR:							
2 SR:							
3 SR:							
4 SR:							
5 SR:							
6 SR:							
7 SR:							
8 SR:							
9 SR:							
10 SR:							
4302. Grant Num ber:	2a. Name of organization	2b. Organization constituency* (insert all that apply)	2c. Type of work^ (insert all that apply)	2d. Total \$ allocated from the grant (over its life)	2e. \$ disbursed from the grant (list individual disbursements)	2f. List date of disbursement of \$ from the grant	2g. Total cumulative \$ disbursed to date
1 SR:							
2 SR:							
3 SR:							
4 SR:							
5 SR:							
6 SR:							
7 SR:							
8 SR:							
9 SR:							
10 SR:							

*1. Academic/Educational sectors 2. National NGOs 3. International NGOs
 4. CBOs 5. Grassroots disease 6. Multilateral Partner
 7. Bilateral Partner 8. Professional Association 9. Religious or Faith based

10. Youth group
13. Other MOH
11. Private sector
14. Other Government
12. National disease program

- ^1. Service provision (e.g. treatment, care, prevention, HBC)
2. Commodity distribution (e.g. condoms, social marketing)
3. IEC (e.g. workshops, training)
4. Community mobilization
5. Social support (e.g. IGA, microfinance, counselling)
6. Other (list)

TB Grants

4303. Grant Number:	3a. Name of organization	3b. Organization constituency* (insert all that apply)	3c. Type of work^ (insert all that apply)	3d. Total \$ allocated from the grant (over its life)	3e. \$ disbursed from the grant (list individual disbursements)	3f. List date of disbursement of \$ from the grant	3g. Total cumulative \$ disbursed to date
1 SR:							
2 SR:							
3 SR:							
4 SR:							
5 SR:							
6 SR:							
7 SR:							
8 SR:							
9 SR:							
10 SR:							
4304. Grant Number:	4a. Name of organization	4b. Organization constituency* (insert all that apply)	4c. Type of work^ (insert all that apply)	4d. Total \$ allocated from the grant (over its life)	4e. \$ disbursed from the grant (list individual disbursements)	4f. List date of disbursement of \$ from the grant	4g. Total cumulative \$ disbursed to date
1 SR:							
2 SR:							
3 SR:							
4 SR:							

Number:	organization	constituency* (insert all that apply)	(insert all that apply)	allocated from the grant (over its life)	from the grant (list individual disbursements)	disbursement of \$ from the grant	cumulative \$ disbursed to date
1 SR:							
2 SR:							
3 SR:							
4 SR:							
5 SR:							
6 SR:							
7 SR:							
8 SR:							
9 SR:							
10 SR:							

*1. Academic/Educational sectors 2. National NGOs 3. International NGOs
 4. CBOs 5. Grassroots disease 6. Multilateral Partner
 7. Bilateral Partner 8. Professional Association 9. Religious or Faith based
 10. Youth group 11. Private sector 12. National disease program
 13. Other MOH 14. Other Government

^1. Service provision (e.g. treatment, care, prevention)
 2. Commodity distribution (e.g. ITNs, bednets, social marketing)
 3. IEC (e.g. workshops, training)
 4. Community mobilization
 5. Social support (e.g. IGA, microfinance, counselling)
 6. Other (list)

b. Module 4D: CSO Town Hall Facilitated Group Meeting

Apart from individual interviews conducted with representatives of CSOs, there will also be one or more CSO “town hall” facilitated group meeting as part of each CPA. The *proposed* format is as follows:

- Welcome and Introductions from Team Leader, CSO Team Representative and 1 or more other team members or CSO facilitators
- Depending on size of crowd, facilitate introductions of participant name/organization/involvement with GFATM
- Purpose and Objectives of the meeting
- Provide input into the civil society processes of proposal development, implementation, monitoring and evaluation of the GFATM as part of an assessment of the partnership effectiveness of the GFATM
- Brief facilitated discussion to gather general information (impressions of GFATM, understanding of country processes, overarching concerns, etc.)
- Three rounds of facilitated group discussions either around tables or in break out rooms:
 - ❖ Small groups round 1: divide by disease areas into small groups and facilitate a discussion on representational issues to internal CCM processes, gender issues, input into policy frameworks, procurement processes, information sharing, frequency and timeliness of opportunities to provide input, reporting, missed opportunities, challenges, lessons learned, recommendations, etc.
 - ❖ Small groups round 2: divide according to the type of organization (FBO, Local NGO, INGO, patients groups, professional associations) and facilitate discussion on how the Global Fund and participation in Global Fund grants has affected CSO roles and relationships with: government, the grassroots, the private sector and other civil society groups. Ask about: partners, perceived challenges, perceived opportunities, lessons learned, recommendations, etc.
 - ❖ Small groups round 3: divide according to CSOs that are current implementers and/or PRs, SRs, CSOs that have submitted proposals but have not been successful, and those CSOs that have limited involvement with CCM and GFATM, and facilitate discussion on opportunities that have been available for capacity building, areas where further capacity building is needed; the proposal writing, review and selection process; and entry points for more involvement with CCM; opinions on the need for evolution of PR/SR selection and current trends.

VIII. Module 5: Technical Assistance

VIII.1. Background to Module 5

The Global Fund's principle of functioning as a financing instrument implies a certain reliance on technical and managerial inputs from other sources and partners. Early on, the need for coordinated systems for identifying and providing TA was identified. In 2006, the Global Fund and its stakeholders set up the Early Alert and Response System (EARS) in recognition of the urgent need to rapidly identify grants facing challenges early in the cycle, and to be able to mobilize effective technical support and thereby minimize the consequences of poor grant implementation and performance. In addition, the U.S. government earmarked \$12 million specifically for "bottleneck TA" requested through the EARS to speed up Global Fund grant implementation, and trained consultants to provide the TA. To date, the majority of TA requests funded by the American government thus far have been for strengthening CCM functioning and improving M&E systems. However, the coordination and responsiveness of these TA systems and their ability to meet the needs of in-country Global Fund partners and implementers is needs to be assessed.

This module will examine current TA systems. Specifically, it will look at: the roles and responsibilities of different partners in identifying and mobilizing TA, whether current TA systems are meeting grant implementation needs, how TA systems are functioning, the quality of TA and whether TA is contributing to local capacity.

It is not necessary to ask all of these questions, they should be applied in a flexible manner. We have highlighted some questions that are more critical for the evaluation and warrant greater attention. If participants have time and/or you notice that they have more enthusiasm to give detailed responses in the interviews, you can address all questions that pertain to their role with respect to the Global Fund partnership. If the respondent is pressed for time or feeling "evaluation overload", you may wish to stick to the highlighted questions.

VIII.2. Module 5: Technical assistance

This module should be posed to recipients (CCM, PR, SR), providers (local and international consultants) and funders (multilateral and bilateral donors etc.) of TA. This sampling of respondents will allow us to establish whether or not there is a perceived difference in the style, quantity and quality of each instance of TA. The questions will need to be adapted for your respondent based on whether or not they are a recipient, provider or donor.

5001. What is your definition of technical assistance?

5002. Please describe the Technical Assistance process for each Global Fund grant in this country

(it may be quite different for HIV/AIDS, TB and Malaria)

- I. Probe: Use the table below to bring up points that are not volunteered in responding to the initial question. The interviewer may ask this as a qualitative question and fill in the responses in the table at a later time for inclusion in the CPA report. If it is easier, you can create a separate copy of this table for every grant.
- II. For objective/purpose of the TA, use the following categories (Insert in table below)
 - i. CCM functioning
 - ii. M&E systems
 - iii. Financial management
 - iv. Proposal development
 - v. Grant work-plan/budget development
 - vi. Technical HIV programming
 - vii. Technical TB programming
 - viii. Technical malaria programming
 - ix. Procurement and supply chain management (PSCM)
 - x. Other (please describe):

TA (specify grant number or other use and funder)	1. Grant: TA Funder:	2. Grant: TA Funder:	3. Grant: TA Funder:	4. Grant: TA Funder:	5. Grant: TA Funder:	6. Grant: TA Funder:	7. Other: TA Funder:
a. TA offered? Y/N							
b. TA offered by whom:							
c. TA requested? Y/N							
d. TA requested by whom:							
e. Was TA Provided? Y/N							
f. Name of provider/consultant:							

TA (specify grant number or other use and funder)	1. Grant: TA Funder:	2. Grant: TA Funder:	3. Grant: TA Funder:	4. Grant: TA Funder:	5. Grant: TA Funder:	6. Grant: TA Funder:	7. Other: TA Funder:
g. When was TA provided? (dates)							
h. Local or International Provider/consultant? (Loc/Int)							
i. Who received TA? (e.g. CCM, PR, SR)							
j. Objective/ purpose of TA (see categories above)							
k. Terms of reference/Scope of Work defined? (Y/N)							
l. Did TA debrief after mission? (Y/N)							
m. Deliverables received? (Y/N)							
n. Feasible recommendations made? (Y/N)							
o. Recommendations acted upon? (Y/N)							
p. Total Cost (USD)							
q. Strengths of this TA provision							
r. Weaknesses of this TA provision							

5003. **In your opinion, did the TA in general build local capacity? Y/N**

a. Give examples of how

5004. Were there any difficulties in acting upon TA recommendations? Y/N

a. Please describe

5005. In your experience, how do the systems for Technical Assistance function?

a. Probe: Were there any challenges/bottlenecks/problems with TA? Y/N describe

b. Has the TA system changed from previous years? Y/N describe

5006. To your knowledge, did the Global Fund provide any guidelines pertaining to requisition and provision of TA? Y/N/I Don't Know
- Probe: If no, did/does the CCM or PR have guidelines pertaining to requisitioning and/or procuring TA? Y/N
 - If yes, are/were the guidelines used? Y/N
 - Did/do the guidelines require a competitive TA procurement process? Y/N
 - Please describe the process
5007. Is it your sense that there is enough funding for TA? Y/N
- Probe: Is funding readily accessible? Y/N
5008. Do you know if TA funds from the grant budgets are being used regularly? Y/N/I Don't Know
- Probe: Has this changed over time? Y/N
5009. Have you ever heard of the Early Alert and Response System (EARS)? Y/N
- If yes, Probe: What is the role of EARS?
 - Is EARS country-driven? Y/N
5010. Which partners have been key in facilitating the TA process, and in what ways?
- Probe: in-country, global, secretariat
 - Can partners' roles and responsibilities in TA be clarified or coordinated better? Please describe how.
5011. In your opinion, what affects the ability of Global Fund partners in this country to identify TA needs and coordinate requests?
- Probe: communication channels within and outside the country
5012. **How could technical assistance be improved?**
- Probe: what could the Global Fund secretariat do?
 - What could CCMs do?
 - What could LFAs do?
 - What could PRs and SRs do?
 - What could other development partners do?

IX. Module 6: Country Ownership and Alignment

IX.1. Background to Module 6

One of the Global Fund's guiding principles is to support programs that reflect national ownership. Strong country ownership is meant to increase accountability, which is a prerequisite for performance based funding. The Global Fund aims to increase country ownership by encouraging participation of local representatives, civil society and the private sector. It is felt that by having a country set its own intervention priorities, indicators and targets, as well as design and implement its own projects, there will be greater ownership over Global Fund grants and therefore projects will be effective and sustainable.

Relating to country ownership is the idea that Global Fund grants should align with national health systems, existing M&E reporting and procurement and financial management systems. There is a perception that many Global Fund grants operate as stand-alone projects, which are not well aligned with government planning and budgeting and reporting cycles.

This module will collect data that will allow this evaluation to examine the relationship between country ownership, functioning of the PBF model and overall grant performance. It will also examine factors that either facilitate or act as barriers to country ownership, in particular, alignment. To do this, this module will start by defining country ownership from the perspective of local stakeholders and partners, assessing the extent of country ownership and alignment, and gather observations on ownership, alignment and the Global Fund from key stakeholders.

It is not necessary to ask all of these questions, they should be applied in a flexible manner. We have highlighted some questions that are more critical for the evaluation and warrant greater attention. If participants have time and/or you notice that they have more enthusiasm to give detailed responses in the interviews, you can address all questions that pertain to their role with respect to the Global Fund partnership. If the respondent is pressed for time or feeling "evaluation overload", you may wish to stick to the highlighted questions.

IX.2. Ownership and Alignment

6001. Do you think that Global Fund activities are country driven and led? Y/N

- a. Probe: why and why not? Be specific**
- b. Have any measures been taken to improve country ownership Y/N, please describe**

6002. Please tell me about the extent to which the following processes are country led, how the processes get done and how country involvement can be increased.

- a. Prioritizing interventions and activities
- b. Grant proposal development
- c. Budget development
- d. Work plan development
- e. Procurement for grants
- f. Grant programme implementation
- g. Grant oversight
- h. Selecting indicators for monitoring and evaluation
- i. Data collection for monitoring and evaluation
- j. Reporting for monitoring and evaluation
- k. Data quality verification

1. Other routine reporting for Global Fund grants

Processes	1. Not at all	2.Somewhat	5. Very
a. Prioritizing interventions and activities			
b. Grant proposal development			
c. Budget development			
d. Work plan development			
e. Procurement for grants			
f. Grant programme implementation			
g. Grant oversight			
h. Selecting indicators for monitoring and evaluation			
i. Data collection for monitoring and evaluation			
j. Reporting for monitoring and evaluation			
k. Data quality verification			
l. Other routine reporting for Global Fund grants			

6003. For those processes where the country is not at all involved please describe how these processes get done.

6004. How can country involvement be increased?

6005. Overall, would you say that the country leads Global Fund work?

1. Strongly disagree	2. Disagree	3. Neither agree nor disagree	4. Agree	5. Strongly agree
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a. Probe: why or why not?

6006. Overall, do you think that the Global Fund model (PBF, CCMs, LFAs) promotes country ownership?

1. Strongly disagree	2. Disagree	3. Neither agree nor disagree	4. Agree	5. Strongly agree
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a. Probe: why or why not?

6007. Please describe the development of the national strategic plan for HIV/AIDS prevention and control.

- Probe: when was it developed?
- For what period?
- Did it exist before or after GF funds were sought?
- Was the Global Fund an impetus for developing the strategic plan?
- How do you consider the interactions between HIV/AIDS and Malaria in developing national strategic plans?
- How do you consider the interactions between HIV/AIDS and TB in developing national strategic plans?

6008. Please describe the development of the national strategic plan for TB prevention and control.

- a. Probe: when was it developed?
- b. For what period?
- c. Did it exist before or after GF funds were sought?
- d. Was the Global Fund an impetus for developing the strategic plan?

6009. Please describe the development of the national strategic plan for malaria prevention and control

- a. Probe: when was it developed?
- b. For what period?
- c. Did it exist before or after GF funds were sought?
- d. Was the Global Fund an impetus for developing the strategic plan?

Observations about country ownership and alignment		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
		1	2	3	4	5
6010.	Country ownership is important for the success of Global Fund grants.					
6011.	Explain					
6012.	GF policies and procedures respect country led formulation and implementation of grants.					
6013.	Explain					
6014.	Global Fund policies and procedures have promoted country ownership.					
6015.	Explain					
6016.	Utilizing external consultancy input or contracting out proposal preparation reduces country ownership of Global Fund grants.					
6017.	Explain					
6018.	The Global Fund grants have increased local capacity.					
6019.	Explain					
6020.	Alignment of Global Fund grants with National HIV/AIDS Programs has increased accountability					

Observations about country ownership and alignment		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
		1	2	3	4	5
6021.	Explain					
6022.	Alignment of Global Fund grants with National TB Programs has increased accountability					
6023.	Explain					
6024.	Alignment of Global Fund grants with National Malaria Programs has increased accountability					
6025.	Explain					
6026.	GF policies and procedures are aligned with national systems and programs.					
6027.	Explain					
6028.	The Global Fund has shown flexibility in aligning with or adapting to country systems?					
6029.	Explain					
6030.	Pre-existing national structures have integrated themselves to the multi-stakeholder CCM structure.					
6031.	Explain					

6032. How aligned are the following for **HIV/AIDS**?

Processes	1. Not at all aligned	2. Partially aligned	3. Fully aligned
a. What is the extent of alignment between GF HIV Grants and MOH planning cycles (annual or bi-annual)			
b. What is the extent of alignment between GF HIV Grants and the indicators used for routine reporting for HIV/AIDS			
c. What is the extent of alignment between GF HIV Grant reporting and the			

national health reporting?			
d. What is the extent of alignment between GF HIV Grants and national financial reporting requirements?			
e. What is the extent of alignment between GF HIV Grant auditing and the national auditing system?			
f. What is the extent of alignment between the GF HIV Grant procurement system and the national procurement system?			

6033. For those cases where the grant is not at all aligned (answered 1), please describe the barriers to alignment.

6034. For those cases where the grant is well aligned (answered 3), please describe what has facilitated alignment.

6035. How aligned are the following for **TB**?

Processes	1. Not at all aligned	2. Somewhat	3. Fully aligned
a. What is the extent of alignment between GF TB Grants and MOH planning cycles (annual or bi-annual)			
b. What is the extent of alignment between GF TB Grants and the indicators used for routine reporting for TB			
c. What is the extent of alignment between GF TB Grant reporting and the national health reporting?			
d. What is the extent of alignment between GF TB Grants and national financial reporting requirements?			
e. What is the extent of alignment between GF TB Grant auditing and the national auditing system?			
f. What is the extent of alignment between			

the GF TB Grant procurement system and the national procurement system?			
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6036. For those cases where the grant is not at all aligned (answered 1), please describe the barriers to alignment.

6037. For those cases where the grant is well aligned (answered 3), please describe what has facilitated alignment.

6038. How aligned are the following for **malaria**?

Processes	1. Not at all aligned	2. Somewhat aligned	3. Fully aligned
a. What is the extent of alignment between GF malaria Grants and MOH planning cycles (annual or bi-annual)			
b. What is the extent of alignment between GF malaria Grants and the indicators used for routine reporting for malaria			
c. What is the extent of alignment between GF malaria Grant reporting and the national health reporting?			
d. What is the extent of alignment between GF malaria Grants and national financial reporting requirements?			
e. What is the extent of alignment between GF malaria Grant auditing and the national auditing system?			
f. What is the extent of alignment between the GF malaria Grant procurement system and the national procurement system?			

6039. For those cases where the grant is not at all aligned (answered 1), please describe the barriers to alignment.

6040. For those cases where the grant is well aligned (answered 3), please describe what has facilitated alignment.

6041. Have any measures been taken to improve alignment between Global Fund grant and country systems? Y/N

a. Probe: please describe

X. Module 7: Performance Based Funding

X.1. Background to Module 7

The Global Fund's PBF model is based on the principle of country ownership, with funds allocated on the basis of strict performance criteria, which are determined by the country itself. Each country develops its own core objectives and targets, and its performance is measured in relation to progress being made in achieving those targets. Though the Global Fund's PBF model has set new standards of transparency and accountability on many issues, there have also been demands to monitor increasingly complex service delivery mechanisms, and difficulties with the collection and analysis of information that partners have struggled to respond to. The Global Fund has tried to assist countries by developing tools and processes to monitor performance and respond to gaps (M&E toolkit, scorecards, phase 2 processes, EARS).

This module will identify perceived strengths, weaknesses and opportunities for improvement in the Global Fund's model of Performance-Based Funding (PBF).

The module focuses on gathering information related to:

- a. Indicator selection and target setting
- b. The use of Conditions Precedent (CP) and their effects
- c. Capacity to manage and meet requirements of PBF including level of effort needed
- d. Perceptions of and experiences with the Global Fund PBF model

It is not necessary to ask all of these questions, they should be applied in a flexible manner. We have highlighted some questions that are more critical for the evaluation and warrant greater attention. If participants have time and/or you notice that they have more enthusiasm to give detailed responses in the interviews, you can address all questions that pertain to their role with respect to the Global Fund partnership. If the respondent is pressed for time or feeling "evaluation overload", you may wish to stick to the highlighted questions.

X.2. Performance-Based Funding

The intended audience for this module is the PR and SR directors. This is a guide, be flexible with who you can pose the module to.

7001. Did Performance-Based Funding occur here before the Global Fund? Y/N

7002. Have you ever seen the Global Fund guidelines for Performance-Based Funding? Y/N

7003. How has the Global Fund model of Performance Based Funding changed the way the national disease program (HIV/AIDS, TB or malaria) operates? Y/N

- a. Probe: In what ways?
- b. Good or bad changes?

7004. How were the grant performance criteria determined in this country?

- a. Probe: who was involved?

7005. In your opinion, how well are grant performance monitoring indicators aligned with intervention areas?

- a. Probe: please describe

7006. The Global Fund performance based funding model is based on country-led setting of targets, and frequent monitoring against those targets. How do you feel about this model of performance based funding?

- a. Probe: strengths and weaknesses
- b. What opportunities do you see for improving this model
- c. What threats are there to this model succeeding?

7007. A wide range of partners are involved with implementing activities that determine whether grant performance targets are met, how do you feel about this?

- a. Probe: strengths and weaknesses
- b. What opportunities do you see for improving this model
- c. What threats are there to this model succeeding?

7008. What reports do you submit to the Global Fund and when or how often?

- a. Probe: the name of the documents
- b. The purpose of the documents/reports
- c. Who they are submitted to
- d. Do they get input from the secretariat in preparing the document, from whom and how (e.g. in-country visit)

7009. Please rate the quality of the data that is gathered for Global Fund M&E reports?

1. Poor	2. Fair	3. Good	4. Very Good	5. Excellent
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Note to interviewer: Please review grant indicators before administering the following questions. Find out which grants have had Conditions Precedents (CP) imposed before grant signature and before phase 2, then only ask the PR for those grants the questions about CP.

HIV/AIDS

7010. How were the Conditions Precedent addressed for this grant?

- a. Probe: when
- b. who was involved with addressing that CP? (e.g. development partner)

7011. Please describe how targets were set for the indicators of the HIV/AIDS grant(s)?

- a. Probe: who was involved?
- b. How was the baseline determined?
- c. How did you calculate what you might achieve? (e.g. was a formula used? Historical trends?)
- d. Was there a systematic process used for setting the targets? Y/N
- e. Is this the same process used for setting the targets of other projects? Y/N
- f. Was there any external assistance (e.g. from TA or the Secretariat?) Y/N

7012. Over the life of the HIV/AIDS grant(s), have the indicator targets been adjusted? Y/N

- a. Probe: please describe how and for what reasons?
- b. In what direction?
- c. How flexible has the Secretariat been in allowing adjustment of targets?
- d. Did the Secretariat provide any direct support? Y/N describe

7013. If the HIV/AIDS grant(s) have had Conditions Precedent imposed, can you describe how it was decided to impose the CP?

- a. Probe: who was involved (distinguish between secretariat and country level)
- b. Was there discussion about the CP? Y/N

7014. How was the CP addressed

- a. Probe: who was involved with addressing that CP? (e.g. development partner)

TB

7015. Please describe how targets were set for the indicators of the TB grant(s)?
- Probe: who was involved?
 - How was the baseline determined?
 - How did you calculate what you might achieve? (e.g. was a formula used? Historical trends?)
 - Was there a systematic process used for setting the targets? Y/N
 - Is this the same process used for setting the targets of other projects? Y/N
 - Was there any external assistance (e.g. from TA or the Secretariat?) Y/N
7016. Over the life of the TB grant(s), have the indicator targets been adjusted? Y/N
- Probe: please describe how and for what reasons?
 - In what direction?
 - How flexible has the Secretariat been in allowing adjustment of targets?
 - Did the Secretariat provide any direct support? Y/N
7017. If the TB grant(s) have had Conditions Precedent imposed, can you describe how it was decided to impose the CP?
- Probe: who was involved (distinguish between secretariat and country level)
 - Was there discussion about the CP? Y/N
7018. How was the CP addressed
- Probe: who was involved with addressing that CP? (e.g. development partner)

Malaria

7019. Please describe how targets were set for the indicators of the malaria grant(s)?
- Probe: who was involved?
 - How was the baseline determined?
 - How did you calculate what you might achieve? (e.g. was a formula used? Historical trends?)
 - Was there a systematic process used for setting the targets? Y/N
 - Is this the same process used for setting the targets of other projects? Y/N
 - Was there any external assistance (e.g. from TA or the Secretariat?) Y/N
7020. Over the life of the malaria grant(s), have the indicator targets been adjusted? Y/N
- Probe: please describe how and for what reasons?
 - In what direction?
 - How flexible has the Secretariat been in allowing adjustment of targets?
 - Did the Secretariat provide any direct support? Y/N
7021. If the malaria grant(s) have had Conditions Precedent imposed, can you describe how it was decided to impose the CP?
- Probe: who was involved (distinguish between secretariat and country level)
 - Was there discussion about the CP? Y/N
7022. How was the CP addressed
- Probe: who was involved with addressing that CP? (e.g. development partner)

The following questions are not grant specific

7023. Are you aware of the rolling continuation channel for grants that are coming to an end?
Y/N

- a. Do you know what the criteria for eligibility are? Y/N
 - b. What measures are being taken to ensure the sustainability of grants that are coming to an end?
7024. Is the Global Fund PBF model flexible? Y/N
- a. Probe: please describe how?
 - b. Does flexibility ensure that resources are spent most effectively? Y/N
7025. **Have the Global Fund PBF requirements prevented smaller/ more grassroots organizations from becoming SRs? Y/N**
- a. **Probe: how?**
7026. **Have the PBF requirements increased capacity at the local level? Y/N**
- a. **Probe: have PRs or SRs reassigned or hired new people? Y/N**
 - b. **Have PRs or SRs received training in M&E, financial management or procurement? Y/N**
7027. **Have SRs and PRs (implementers) changed the way that they perform their functions because of the Global Fund PBF system? Y/N**
- a. **Probe: If so, how?**
 - b. **If they have changed, has it been specific to grant activities or other activities as well?**
7028. Have you received support from the Global Fund Secretariat for PBF? Y/N
- a. Probe: Please describe what kind of support and who provided it (e.g. person or unit such as FPM)
7029. Do you think the local implementing agencies have the capacity to meet the requirement for the PBF model? Y/N
- a. Probe: financial management Y/N
 - b. M&E requirements Y/N
 - c. Frequency of reporting Y/N
 - d. Partnership communications Y/N
 - e. Procurement and supply management Y/N
7030. **How can the Global Fund's model of Performance-Based Funding (PBF) be improved for grants in this country?**

How much time do you spend on the following Global Fund related activities?

	1. Not Enough	2. Enough	3. Too much
7031. CCM Meeting (preparation, attendance, follow-up)			
7032. Financial management/ oversight			
7033. Preparation of disbursement requests			
7034. Provide information for or			

prepare routine performance reports			
7035. Other M&E for Global Fund grants			
7036. Participation in special studies or independent evaluations related to the Global Fund			
7037. Grant activity implementation			
7038. General administrative duties related to the Global Fund			
7039. Other Global Fund related work (describe)			

Opinions about performance based funding		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
		1	2	3	4	5
7040.	There is increased accountability because of the Global Fund PBF model.					
7041.	Interventions funded by the Global Fund address programmatic needs.					
7042.	Global Fund performance monitoring tools help us stay on track with implementation.					
7043.	There is improved efficiency in HIV/AIDS program implementation because of performance-based funding					
7044.	There is improved efficiency in TB program implementation because of performance-based funding					
7045.	There is improved efficiency in malaria program implementation because of performance-based funding					
7046.	Dialogue with the secretariat regarding performance reporting is sufficient.					
7047.	Support from the secretariat for other aspects of grant implementation is sufficient.					

XI. Module 8: Procurement

XI.1. Background to Module 8, procurement

Performance and implementation of grants is highly dependent on procurement of essential drugs and commodities for treatment and diagnosis of HIV/AIDS, TB and malaria. However the decentralized procurement model envisaged by the Global Fund has been confronted by a lack of strategic national procurement plans and cumbersome national procurement procedures that have combined to create significant bottlenecks to grant implementation.

This module will describe current roles and responsibilities in procurement planning and execution, how the Global Fund has provided support to improve procurement processes and systems and identify opportunities for strengthening procurement systems for Global fund grants.

It is not necessary to ask all of these questions, they should be applied in a flexible manner. We have highlighted some questions that are more critical for the evaluation and warrant greater attention. If participants have time and/or you notice that they have more enthusiasm to give detailed responses in the interviews, you can address all questions that pertain to their role with respect to the Global Fund partnership. If the respondent is pressed for time or feeling "evaluation overload", you may wish to stick to the highlighted questions.

XI.2. Procurement

- **I. Procurement of drugs and commodities to date under GFATM grant:** request from the procurement officer for each PR, for each grant, a copy of the detailed guidelines that they use for conducting procurements using Global Fund financing. Also request a copy of the following documents for a sample procurement for each grant:
 - Request for proposals
 - Bids from suppliers
 - Bid evaluation report/minutes from discussion of bids
 - Notification of award
 - Contract with selected supplier
 - Order from selected supplier
 - Receipt of delivery
 - Supplier invoice
 - Proof of payment

General

These will be asked to the procurement officers at the PR and SR.

8001. Do you use guidelines when tendering a new procurement? Y/N

- a. Are these Global Fund guidelines? Y/N
- b. If not, did you have to make changes to meet Global Fund requirements? Y/N
- c. Do the guidelines specify financial thresholds, requirements for advertising or public bid or other types of restrictions? Please describe if these affect procurement for Global Fund grants.

8002. Which quality assurance policies do you follow?

- a. Probe: has following the Global Fund's revised quality assurance policy affected pre-existing national procurement procedures? Y/N Describe

- b. Have there been any affects on domestic producers of drugs or commodities? Y/N Describe**

8003. Please describe your process for negotiating prices of drugs.

- a. Probe: what is the Global Fund's role in this negotiation of prices?**
b. Has receiving a Global Fund grant given you access to better prices? Y/N
Give examples

8004. How do you currently pay for the drugs and commodities that you procure?

- a. Have you received specific guidance from the Global Fund regarding payment?
 Y/N Describe

8005. Do you report your prices/purchases on the Global Fund price reporting mechanism? Y/N

- a. Probe: why or why not?

8006. Have there been any procurement audits? Y/N

- a. Probe: how many?
 b. Are they done regularly? Y/N
 c. Who does them?
 d. Were there any negative consequences from any of these audits? Y/N Please describe

8007. Are other development partners involved in ensuring coordinated procurement in order to avoid duplication? Y/N

- a. Probe: which development partners are involved?

8008. How could coordination and harmonization with regard to procurement be improved?

- a. Probe: how could the Global Fund facilitate this coordination?
 b. Secretariat
 c. CCM
 d. LFA

For HIV/AIDS Grants

Intended audience: PR and SR procurement officer for those grants AND the national disease program procurement officer if the national disease program is not a PR. When talking to the national disease program procurement officer who is not a PR/SR, adapt these questions to ask about the procurement PSM plan for the national disease program.

8009. Is there a PSM plan for Global Fund HIV/AIDS grants? Y/N

- a. Probe: how many PSM plans have there been for these grant(s)?
 b. Is the latest PSM plan being followed? Y/N Describe
 c. Has it changed since it was approved? Y/N Describe
 d. How well is it aligned with the national HIV/AIDS PSM plan?

8010. Describe how the PSM plan was developed for Global Fund HIV/AIDS grant(s).

- a. How flexible is the PSM plan?
 b. Does it allow you to make needed changes (e.g. for new treatment regimens or diagnostics, for forecasting revisions etc.) Y/N

8011. Please discuss who is involved in the following PSM processes for HIV/AIDS grants and any strengths and weaknesses related to the process and/or partners?*(ask this in a qualitative way and use the table to probe, can fill in the table at a later time)

Procurement	Partners involved in this	Strengths of this	Weaknesses of this
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Processes	process(can collect the names and then report the type of org in final report*)	process and partnership	process and partnership
a. Developing PSM plan			
b. Forecasting/quantification			
c. Reconciling needs with budget			
d. Tendering			
e. Product selection			
f. Distribution			
g. Inventory management			
h. Routine reporting			
i. Other: describe			
j. Other: describe			

* 1. CCM

2. LFA

3. PR (give name of organization)

4. SR (give name of organization)

5. Global Fund Secretariat (give name or unit)

6. In-country development partner (give name)

7. Global level partner (e.g. UNAIDS, Roll back malaria, Stop TB, PEPFAR, President's Malaria Initiative... give name)

8. Non-recipient CSO (give name)

9. Central medical stores

8012. For those processes in which weaknesses were identified above, has the Global Fund facilitated improvements, if so how and if not how could the Global Fund facilitate improvements?

- Probe: what could be the role of the:
- CCM
- LFA
- Secretariat
- Other (describe)

8013. Was there any need for training around any of these functions? Y/N

- Probe: for which processes?
- Who provided the training?
- Number of people trained?
- Trained for how many days?

8014. How were forecasts for drugs and commodities for HIV/AIDS grants developed?

- Probe: what tools were used?
- How were these forecasts coordinated with the needs for the whole country?

8015. Do you use a procurement agent for HIV/AIDS? Y/N
- Probe: how are they selected?
 - Was selection affected by Global Fund policies? Y/N Describe
 - If so, were there effects on cost/quality or supply of products?
8016. Have disbursement delays caused problems with procurement? (e.g. paying suppliers on-time or stock-outs) Y/N
- Probe: please describe
 - What stop-gap measures were used to compensate for stock-outs?
 - Did you receive any guidance from Global Fund for these problems? Y/N
 - Any guidance from Global Fund regarding direct payment and multi-year orders

For TB Grant(s):

Intended audience: PR and SR procurement officer for those grants AND the national disease program procurement officer if the national disease program is not a PR. When talking to the national disease program procurement officer who is not a PR/SR, adapt these questions to ask about the procurement PSM plan for the national disease program.

8017. Is there a PSM plan for TB grants? Y/N
- Probe: how many PSM plans have there been for these grant(s)?
 - Is the latest PSM plan being followed? Y/N
 - Has it changed since it was approved? Y/N
 - How well is it aligned with the national TB PSM plan?
8018. **Describe how the PSM plan was developed for Global Fund TB grant(s).**
- How flexible is the PSM plan?
 - Does it allow you to make needed changes (e.g. for new treatment regimens or diagnostics, for forecasting revisions etc.) Y/N
8019. Please discuss who is involved in the following PSM processes for TB grants and any strengths and weaknesses related to the process and/or partners? (ask this in a qualitative way and use the table to probe, can fill in the table at a later time)

Procurement Processes	Partners involved in this process	Strengths of this process and partnership	Weaknesses of this process and partnership
a. Developing PSM plan			
b. Forecasting/quantification			
c. Reconciling needs with budget			
d. Tendering			
e. Product selection			
f. Distribution			
g. Inventory management			
h. Routine			

reporting			
i. Other: describe			
j. Other: describe			

* 1. CCM

2. LFA

3. PR (give name of organization)

4. SR (give name of organization)

5. Global Fund Secretariat (give name or unit)

6. In-country development partner (give name)

7. Global level partner (e.g. UNAIDS, Roll back malaria, Stop TB, PEPFAR, President's Malaria Initiative... give name)

8. Non-recipient CSO (give name)

9. Central medical stores

8020. For those processes in which weaknesses were identified, has the Global Fund facilitated improvements, if so how and if not how could the Global Fund facilitate improvements?

a. Probe: what could be the role of the:

b. CCM

c. LFA

d. Secretariat

e. Other (describe)

8021. Was there any need for training around any of these functions? Y/N

a. Probe: for which processes? (a-j)

b. Who provided the training?

c. Number of people trained?

d. Trained for how many days?

8022. How were forecasts for drugs and commodities for TB grants developed?

a. Probe: what tools were used?

b. How were these forecasts coordinated with the needs for the whole country?

8023. Do you use a procurement agent for TB? Y/N

a. Probe: how are they selected?

b. Was selection affected by Global Fund policies? Y/N

c. If so, were there effects on cost/quality or supply of products?

8024. Have disbursement delays caused problems with procurement? (e.g. paying suppliers on-time or stock-outs) Y/N

a. Probe: please describe

b. What stop-gap measures were used to compensate for stock-outs?

c. Did you receive any guidance from Global Fund for these problems? Y/N

d. Any guidance from Global Fund regarding direct payment and multi-year orders

For Malaria Grant(s):

Intended audience: PR and SR procurement officer for those grants AND the national disease program procurement officer if the national disease program is not a PR. When talking to the national disease program procurement officer who is not a PR/SR, adapt these questions to ask about the procurement PSM plan for the national disease program.

8025. Is there a PSM plan for malaria grants? Y/N

- a. Probe: how many PSM plans have there been for these grant(s)?
- b. Is the latest PSM plan being followed? Y/N
- c. Has it changed since it was approved? Y/N
- d. How well is it aligned with the national malaria PSM plan?

8026. **Describe how the PSM plan was developed for Global Fund malaria grants.**

- a. How flexible is the PSM plan?
- b. Does it allow you to make needed changes (e.g. for new treatment regimens or diagnostics, for forecasting revisions etc.) Y/N

8027. Please discuss who is involved in the following PSM processes for malaria grants and any strengths and weaknesses related to the process and/or partners?* *(ask this in a qualitative way and use the table to probe, can fill in the table at a later time)*

Procurement Processes	Partners involved in this process	Strengths of this process and partnership	Weaknesses of this process and partnership
a. Developing PSM plan			
b. Forecasting/quantification			
c. Reconciling needs with budget			
d. Tendering			
e. Product selection			
f. Distribution			
g. Inventory management			
h. Routine reporting			
i. Other: describe			
j. Other: describe			

* 1. CCM

2. LFA

3. PR (give name of organization)

4. SR (give name of organization)

5. Global Fund Secretariat (give name or unit)

6. In-country development partner (give name)

7. Global level partner (e.g. UNAIDS, Roll back malaria, Stop TB, PEPFAR, President's Malaria Initiative... give name)

8. Non-recipient CSO (give name)

9. Central medical stores

2. For those processes in which weaknesses were identified, has the Global Fund facilitated improvements, if so how and if not how could the Global Fund facilitate improvements?

- a. Probe: what could be the role of the:
- b. CCM
- c. LFA
- d. Secretariat
- e. Other (describe)

8028. Was there any need for training around any of these functions? Y/N

- a. Probe: for which processes? (a-j)
- b. Who provided the training?
- c. Number of people trained?
- d. Trained for how many days?

8029. How were forecasts for drugs and commodities for malaria grants developed?

- a. Probe: what tools were used?
- b. How were these forecasts coordinated with the needs for the whole country?

8030. Do you use a procurement agent for malaria? Y/N

- a. Probe: how are they selected?
- b. Was selection affected by Global Fund policies? Y/N
- c. If so, were there effects on cost/quality or supply of products?

8031. Have disbursement delays caused problems with procurement? (e.g. paying suppliers on-time or stock-outs) Y/N

- a. Probe: please describe
- b. What stop-gap measures were used to compensate for stock-outs?
- c. Did you receive any guidance from Global Fund for these problems? Y/N
- d. Any guidance from Global Fund regarding direct payment and multi-year orders

Technical Assistance

This will be asked to the procurement officers at the PR and SR.

8032. **Please describe any PSM-related Technical Assistance process that you have received for each Global Fund grant in your country** (it may be quite different for HIV/AIDS, TB and Malaria)

I. Probe: If there has been PSM TA for any grants, use the table below to bring up points that are not volunteered in the initial discussion. The interviewer may ask this as a qualitative question and fill in the responses in the table at a later time for inclusion in the CPA report. If it is easier, you can create a separate copy of this table for every grant.

II. For objective/purpose of the TA, use the following categories (Insert in table below)

- i. Developing PSM plan
- ii. Forecasting/ quantification
- iii. Reconciling needs with budget
- iv. Tendering
- v. Product selection
- vi. Distribution
- vii. Inventory management
- viii. Routine reporting
- ix. Other: describe

TA (specify grant number or other use and funder)	1.Grant: TA Funder:	2.Grant: TA Funder:	3.Grant: TA Funder:	4.Grant: TA Funder:	5.Grant: TA Funder:	6.Other: TA Funder:	7.Other: TA Funder:
a.TA offered Y/N?							
b. TA offered By Whom:							
c.TA requested Y/N?							
d. TA requested by whom:							
e. Was TA Provided? Y/N							
f. Name of Provider/consultant							
g. When was TA provided (dates)							
h. Local or International provider/consultant (Loc/Int)							
i. Who received TA (e.g. CCM, PR, SR)							
j. Objective/purpose of TA (see categories above)							
k. Terms of reference/Scope of Work defined (Y/N)							
l. Did TA debrief after mission? (Y/N)							
m. Deliverables received (Y/N)							
n. Feasible recommendations made (Y/N)							
o. Recommendations acted upon? (Y/N)							
p. Total Cost (USD)							

q.Strengths of this TA provision							
r.Weaknesses of this TA provision							

Annex 7: Summary Descriptions of CPA Data

Summary of Data Sources and Gaps in CPA Countries									
Country	Number of Interviews and Focus Groups Conducted	Types of Orgs Interviewed						Data Gaps	
		PR	SRs	LFA*	CCM members	Private Sector	Bi-lateral/technical partners		
Burkina Faso	65	x	x	x	x	x	x	Served as pilot for CPAs due to need for rapid startup of data collection; protocols slightly different than final CPA protocols; module reports not available	
Cambodia	52	x	x	x	x	x	x	CSO town hall meeting not conducted due to cultural constraints; 20+ CSO SRs interviewed individually using town hall guide and other modules	
Ethiopia	81	x	x	x	x	x	x		
Haiti	30	x	x	x	x	x	x	PR was initially unwilling to participate in CPA due to concerns about conflict of interest of some team members	
Honduras	47	x	x	x	x	x	x		

Annex 7: Summary Descriptions of CPA Data

Summary of Data Sources and Gaps in CPA Countries									
Country	Number of Interviews and Focus Groups Conducted	Types of Orgs Interviewed						Data Gaps	
		PR	SRs	LFA*	CCM members	Private Sector	Bi-lateral/technical partners		
Kenya	55	x	x	x	x	x	x	SR map could not be completed due to reluctance to share data on the part of the GF Coordinator and the MOH	
Kyrgyzstan	65	x	x	x	x	x	x		
Malawi	58	x	x	x	x	x	x		
Nepal	52	x	x	x	x	x	x		
Nigeria	66	x	x	x	x	x	x		
Peru	47	x	x	x	x	x	x		
Tanzania	114	x	x	x	x	x	x		
Uganda	52	x	x	x	x	x	x	SR disbursement data is limited to very recent time frame, as suspension issues involved SRs	
Vietnam	57	x	x	x	x	x	x	SR disbursement data limited to HIV/AIDS and malaria	
Yemen	46	x	x	x	x	x	x	SR mapping methodology updated in Yemen	
Zambia	25	x	x	x	x	x	x		

Annex 7: Summary Descriptions of CPA Data

Summary of Data Sources and Gaps in CPA Countries						
Country	Number of Interviews and Focus Groups Conducted	Types of Orgs Interviewed				
						Data Gaps
		PR	SRs	LFA*	CCM members	Private Sector
						Bi-lateral/technical partners

*in each country, the CPA teams were restricted to discussing procurement issues when meeting with LFAs; this was due to: a recently completed in-depth study of LFAs, and the concurrent re- tendering of the LFA role while CPA data collection was ongoing

in Burkina Faso, Cambodia, Ethiopia, Malawi, Tanzania, Zambia and Vietnam, there were misunderstandings regarding the role of the Impact Evaluation Task Forces in SA2 that caused considerable problems for the CPA teams

in Ethiopia, Honduras, Uganda and Zambia, the CCM case study caused confusion and barriers to meeting with CCM members for the CPA teams

in Cambodia, Nigeria, and Zambia, misunderstandings between local LFA and headquarter offices about SA2 and the data requested caused coordination and data sharing barriers

Annex 7: Summary Descriptions of CPA Data

CPA Respondents

	Ministry of Health	Other Public Sector	Private (for profit) sector	People Affected/Infected	Local NGOs	Faith-Based Organizations	International NGOs	Academic Institutions	Development Partners (bilateral,	Principal Recipient (PR)	Local Fund Agent (LFA)	Other GF-related
Burkina Faso	6	-	5	3	6	2	3	1	7	6	1	2
Cambodia	14	1	1	1	7	-	9	4	15	9	2	-
Ethiopia	4	-	3	2	2	5	3	3	10	3	1	23
Haiti	6	1	4	-	2	2	7	-	6	6	2	-
Honduras	7	2	4	19	15	2	7	-	9	7	1	-
Kenya	1	-	4	2	6	2	6	-	7	7	-	8
Kyrgyzstan	18	16	7	8	8	1	8	2	17	15	1	-
Malawi	5	-	15	3	8	1	5	2	8	5	2	19
Nepal	20	3	3	2	2	-	4	-	13	3	2	-
Nigeria	18	-	7	3	18	12	3	1	4	5	1	7
Peru	5	1	5	4	8	1	4	2	7	8	1	2
Tanzania	18	-	9	4	10	4	9	3	7	13	1	22
Uganda	12	5	3	-	6	2	3	1	10	3	1	-
Vietnam	16	-	-	1	-	-	6	-	8	3	1	-
Yemen	14	3	3	2	8	-	2	-	10	4	2	-
Zambia	8	5	6	1	11	4	-	2	5	6	2	2

Annex 7: Summary Descriptions of CPA Data

Families of CPA Respondents

Country	Number of Coded Primary Documents	Number of Quotations
Burkina Faso	45	1,559
Cambodia	43	529
Ethiopia	81	565
Haiti	14	123
Honduras	14	213
Kenya	53	1,066
Kyrgyzstan	69	794
Malawi	51	544
Nepal	62	1,478
Nigeria	44	725
Peru	58	1,984
Tanzania	123	1,200
Uganda	52	762
Vietnam	53	488
Yemen	52	1,363
Zambia	25	283
Total	839	13,676
Disease Focus*		
HIV/AIDS	173	2,378
Tuberculosis	47	729
Malaria	70	1,022

Annex 7: Summary Descriptions of CPA Data

Global Fund Role**		
CCM member	153	2,221
PR	63	998
SR	174	2,352
LFA	14	250
Other Role**		
Government - MOH	106	1,814
Government - Other	32	444
Development Partner - UN	32	580
Development Partner - Bilateral	48	615
Development Partner – Multilateral and International NGO	62	904
CSO/CBO/FBO	120	1,499
Private Sector	73	990

* Where applicable. Not all documents could be designated with a disease focus.

** The totals shown here do not equal the total number of interview notes because the family categories are not mutually exclusive and therefore respondents may belong to more than one category. For example, a respondent may be a CCM member, a PR, and a CSO; their interview file would therefore be assigned to 3 family categories.

Annex 8: Summary of CPA Findings, by Study Area 2 focus area and country

RATINGS

- ++ The factor or issue at hand is viewed positively by most or all stakeholders; there has been very favorable performance in the area at hand; there has been much improvement in the function of the factor or issue; roles are clearly delineated with no duplication and lack of confusion; all stakeholders are participating; highly positive findings.
- + The factor or issue at hand may be viewed positively by some but not all stakeholders; there has been some improvement in the area at hand but there is room for more; roles are generally clear but there may be some minimal confusion, or slight duplication; most stakeholders are participating; generally positive findings with some room for improvement.
- The factor or issue at hand is viewed negatively by some but not all stakeholders; there has been little improvement; roles are slightly unclear and there is some confusion; there is a fair amount of duplication of roles; some stakeholders have been left out; generally negative findings but improvements are seen as possible or likely, with intervention.
- – The factor or issue at hand is viewed negatively by all stakeholders; there have been no improvements; roles are unclear and there is much confusion; most roles are duplicated or there is much inefficiency; many stakeholders have been left out; negative findings with very little likelihood of improvement without targeted intervention.

N/A There is insufficient data to provide a rating.

Partnership

Summary of findings by country

Country (alphabetically)	Participation of private sector in GF	Civil society involvement	Role of country partners	Role of global partners (at country level)
Burkina Faso	–	–	–	–
Cambodia	–	+	– –	– –
Ethiopia	– –	++	++	–
Haiti	+	++	+	–
Honduras	– –	CSO on CCM + Implementation –	UNAIDS ++ STB, RBM –	+
Kenya	–	+	–	N/A
Kyrgyzstan	–	+	N/A	N/A
Malawi	–	–	N/A	N/A
Nepal	– –	+	+	– –

Annex 8: Summary of CPA Findings, by Study Area 2 focus area and country

Country (alphabetically)	Participation of private sector in GF	Civil society involvement	Role of country partners	Role of global partners (at country level)
Nigeria	+	--	N/A	N/A
Peru	--	++	++	-
Tanzania	-	+	++	N/A
Uganda	-	-	+	N/A
Vietnam	--	+	-	N/A
Yemen	--	-	N/A	--
Zambia	--	++	N/A	N/A

Alignment and Harmonization Summary of findings by country

Country (alphabetically)	GF Alignment policies	Alignment of GF activities at country level	Benefits of GF alignment	Harmonization with other health initiatives at country level	Country/national ownership
Burkina Faso	-	programmatic activities and technical priorities + administrative and financial processes -	N/A	reporting and budgeting - directives and policies +	government actors + + actors outside of government, such as members of civil society --
Cambodia	--	--	N/A	--	government ++
Ethiopia	N/A	+	++	-	CSO --
Haiti	N/A	+	N/A	+	- ++
Honduras	N/A	Generally + PSM -	N/A	-	HIV + malaria - TB --

Annex 8: Summary of CPA Findings, by Study Area 2 focus area and country

Country (alphabetically)	GF Alignment policies	Alignment of GF activities at country level	Benefits of GF alignment	Harmonization with other health initiatives at country level	Country/national ownership
Kenya	--	--	N/A	-	Targets and indicators + Structures -- --
Kyrgyzstan	N/A	--	N/A	-	Generally -
Malawi	'Three Ones' +	-	N/A	-	PR ++ +
Nepal	N/A	-	N/A	-	Government officials and CSOs +
Nigeria	++	++	N/A	++	CCM - ++
Peru	++	+	N/A	+	+
Tanzania	N/A	-	+	++	+
Uganda	N/A	-	+	N/A	N/A
Vietnam	-	+	N/A	+	Generally + CCM - Private Sector -
Yemen	N/A	--	N/A	--	MOPH + CSO and other -- --
Zambia	N/A	+	N/A	--	Generally + PR + SR, SSR -

Technical Assistance Summary of Findings by country

Annex 8: Summary of CPA Findings, by Study Area 2 focus area and country

Country	Assessment of TA systems in place and their use	Role of the GF in TA provision	Barriers to effective TA use (n.b., all negative)
Burkina Faso	--	–	--
Cambodia	+	N/A	--
Ethiopia	–	–	--
Haiti	+	–	–
Honduras	+	N/A	–
Kenya	–	–	--
Kyrgyzstan	+	N/A	–
Malawi	+	N/A	–
Nepal	+	–	N/A
Nigeria	+	+	–
Peru	++	+	–
Tanzania	+	N/A	–
Uganda	N/A	N/A	–
Vietnam	+	N/A	+
Yemen	--	N/A	--
Zambia	+	+	–

Performance-based Funding

Summary of Findings by country

Country	Effectiveness of grants disbursement process	Service quality (primarily addressed in SA3) Reporting quality	Effectiveness of GF PBF policies and requirements
Burkina Faso	--	–	–
Cambodia	–	–	Pride in PBF achievements + Flexibility and cost of PBF –
Ethiopia	N/A	Quality of services + Quality of information –	PBF importance and relevance + PBF clarity, ease, implementation

Annex 8: Summary of CPA Findings, by Study Area 2 focus area and country

Country	Effectiveness of grants disbursement process	Service quality (primarily addressed in SA3) Reporting quality	Effectiveness of GF PBF policies and requirements
			–
Haiti	--	–	–
Honduras	--	–	–
Kenya	--	–	PBF in theory + PBF in practice –
Kyrgyzstan	PRs + Non PRs --	--	++
Malawi	N/A	--	CPs –
Nepal	Fund Release+ PBF communication –	--	PBF in theory + PBF in practice --
Nigeria	--	–	+
Peru	–	–	PBF in theory + PBF in practice –
Tanzania	–	–	–
Uganda	--	--	–
Vietnam	+	+	+
Yemen	N/A	Reporting quality +	–
Zambia	--	–	+

Health Systems Strengthening

Summary of findings by country

* Most dialogue is around general strengthening of health system instead of specific topics areas

Country	GF funds effect on the health system	Health workforce	Financial management	M&E	Procurement
Burkina Faso	–	N/A	--	--	+

Annex 8: Summary of CPA Findings, by Study Area 2 focus area and country

Country	GF funds effect on the health system	Health workforce	Financial management	M&E	Procurement
Cambodia	–	+	–	–	– –
Ethiopia	+	+	–	–	N/A
Haiti	Malaria +	N/A	+	N/A	N/A
Honduras	Malaria +	TB –	N/A	Malaria and HIV +	N/A
Kenya	N/A	N/A	++	N/A	Prices + Local manufacturers –
Kyrgyzstan	– –	–	–	+	PRs + Non PRs –
Malawi	N/A	N/A	+	+	+
Nepal	–	++	+	+	–
Nigeria	+	+	N/A	+	+
Peru	+	–	N/A	+	–
Tanzania	+	–	–	+	+
Uganda	–	– –	N/A	N/A	– –
Vietnam	+	++	++	++	+
Yemen	+	+	N/A	N/A	–
Zambia	–	+	N/A	N/A	++

Grant oversight and management

Summary of findings by country

Country	CCM roles (ie. Proposal development or grant implementation)	PR roles	SR roles	Responses to grant implementation challenges (including EARS)
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Annex 8: Summary of CPA Findings, by Study Area 2 focus area and country

Country	CCM roles (ie. Proposal development or grant implementation)	PR roles	SR roles	Responses to grant implementation challenges (including EARS)
Burkina Faso	--	-	-	N/A
Cambodia	N/A	+	+	N/A
Ethiopia	General perception that CCM role of oversight is limited to meetings and proposal development.	N/A	N/A	N/A
Haiti	CCM writes proposals. Some grant oversight.	Oversight or SRs and their grant implementation	Project implementation	N/A
Honduras	-	Procurement and oversight of SRs.	Project implementation	EARS --
Kenya	--	Procurement ultimately the responsibility of PR.	There are 64 SSRs. SRs, SSRs = implementers	EARS --
Kyrgyzstan	The Country Multisectoral Coordinating Committee (CMCC) was created at the Prime Minister's office to facilitate multisectoral responses to HIV with the support of UNDP. The CMCC incorporated the CCM, which was created in 2003 for the GFATM program.	-	N/A	N/A
Malawi	Communication --	N/A	N/A	EARS --
Nepal	--	N/A	N/A	N/A
Nigeria	--	+	+	
Peru	-	Procurement. Grant oversight. PR +	Project implementation. Some do procurement.	EARS --
Tanzania	+	+	+	N/A
Uganda	+	+	N/A	N/A

Annex 8: Summary of CPA Findings, by Study Area 2 focus area and country

Country	CCM roles (ie. Proposal development or grant implementation)	PR roles	SR roles	Responses to grant implementation challenges (including EARS)
Vietnam	CCM + Sub CCMs + +	+	N/A	N/A
Yemen	--	TB + Malaria + HIV/AIDS --	--	LFA --
Zambia	--	+	--	N/A

Annex 9. Procurement Review

BACKGROUND

Since 48%¹ of Global Fund resources are being spent on the procurement of health products, an essential element of the Five Year Evaluation of the Global Fund was to determine the level of oversight, satisfaction, and functionality of the procurement process under Global Fund grants. Through the 16 Country Partnership Assessments (CPAs) and Secretariat-level data collection, the evaluation team documented the evolution of procurement policies and practices to identify determinants of successful implementation or poor performance.

The tension between efficiency and effectiveness, within the context of country ownership, “financing only”, and Performance Based Funding, has manifested itself particularly acutely around procurement issues at both the Global Fund Secretariat and country levels.

Procurement and Supply Management (PSM) was identified by past studies as a major bottleneck and potential risk within the Global Fund model.² Solutions to this bottleneck challenged the Global Fund’s principle of country ownership, as many grant recipients needed technical assistance around PSM functions to comply with Global Fund capacity or reporting requirements. Other recipients opted to outsource PSM in order to efficiently and effectively deliver the numerous health commodities funded by GFATM programs.

Against this backdrop, the Evaluation Team approached the topic of procurement as a “test case” of whether the structures of the Secretariat and the partnership arrangements in-country were sufficiently efficient and effective in facilitating one of the key processes necessary to grant performance.

METHODOLOGY

The Evaluation Team conducted its procurement review in three parts:

1. Secretariat-level PSM processes;
2. Country-level PSM processes; and
3. Sample tender analysis in 16 CPAs.

1. Secretariat-level PSM processes

Data collection methods at the Secretariat level included review of relevant literature (i.e. Board and Committee documents, commissioned reports, independent assessments) and qualitative interviews with current and former Secretariat staff, staff at partner

¹ Bakker, Guido. 2007. *A Weak Link in the Chain: Improving Global Fund Grant Performance by Strengthening Procurement and Supply Management*. Washington, DC: Global AIDS Alliance. 5.

² Bakker, 7.

multilateral institutions, and with global health commodity suppliers that have conducted business with the Global Fund or under Global Fund grants.

The results of the Secretariat-level investigation are reflected in the Five Year Evaluation's Study Area 1 report, submitted to the Board at its Sixteenth Meeting.

2. Country-level PSM processes

Data collection methods at the country level included a review of the relevant literature (i.e. grant agreements, scorecards, performance reports, articles about Global Fund activities in the 16 CPA countries) and administration of a standardized questionnaire to targeted respondents. Respondents included the procurement officers at the Principal Recipient, the procurement officer of the Ministry of Health (or of the national disease control program), the procurement officer or executive director of selected Sub-Recipients conducting their own procurement, any procurement agent(s) contracted by the PR, and in some countries businesses that had participated in tenders under Global Fund grants.

3. Sample tender analysis

The sample tender analysis was intended to assess all the elements of an individual procurement for each of the 16 countries included in Study Area 2 of the Five Year Evaluation. The objective of this analysis was to compare this sample of actual procurements (i) against the procurement guidelines governing them; (ii) against each other (for similar commodities); and (iii) against other standards of international best practice in procurement (e.g. the World Bank). Specifically, the sample tender assessment sought to answer several key questions for each procurement:

- Were the procurement guidelines sufficiently detailed to ensure transparency in contracting?
- Did the request for proposals and the bid documents increase or limit competition?
- Was the bid evaluation conducted according to the terms of the procurement guidelines?
- Did the contract and order correctly reflect the items bid?
- Was the delivery and the payment completed in a timely manner?

Data collection for the sample tender analysis was conducted as part of the CPAs. Upon meeting either the PR or procurement agent in each country, Module 8 (Procurement) of the CPA Tools was introduced and the request for the documents below was discussed at the beginning of the interview. In many cases, the documents were not readily available or needed management level authorization before being released to the Evaluation Team. In some cases, the Evaluation Team made repeated follow up contacts or visits to the PR to try and obtain these documents. Additionally, in many countries, the effort to collect the documents extended to the period after the CPA was conducted, with support from the local host organizations. During the latter CPAs, requests for these documents were initiated before the start of the CPA to allow ample time for PRs to assemble them.

The documents requested included:

- Procurement guidelines
- Request for Proposals

- Bids from Suppliers
- Bid Evaluation Report
- Notification of Award
- Contract with Selected Supplier
- Order for Selected Supplier
- Receipt of Delivery
- Supplier Invoice
- Proof of Payment

Priority was placed on collecting sample procurements for health commodities where possible. In countries with multiple rounds of grants or grants for different diseases, the Evaluation Team requested samples from each round and each disease. The selection of which sample procurement document to provide was made by the PR or procurement agent.

This tender analysis was not a procurement audit, nor was the Evaluation Team tasked with conducting a procurement audit within the scope of the Five Year Evaluation. Annex 2 indicates the tender documents collected for each CPA. The findings from analyzing these sample tenders are discussed below.

KEY FINDINGS

Strengths

1. Procurement guidelines are used by all CPA PRs.

All PRs were able to describe or provide their procurement guidelines to the Evaluation Team. As these guidelines are part of the requirements during the LFA's evaluation of PSM capacity, this finding in and of itself is to be expected.

2. Procurement guidelines specify thresholds for advertising and conducting different types of bids in 87.5% of CPA countries.

In 14 of the CPA countries, procurement guidelines indicated monetary thresholds for advertising public bids and conducting other types of purchasing. In two countries, respondents did not comment on this issue and copies of the relevant guidelines were not provided, so whether the guidelines specified thresholds is unknown.

3. All grants have a PSM plan and majority of stakeholders outside of PR are aware of PSM plan.

As with procurement guidelines, this universal compliance is another result of requiring certain PSM documents to be in place prior to grant implementation. While a minority of key stakeholders (including SRs, procurement agents, and one current LFA) had not seen the PSM plan for the grant with which they were working, stakeholders in more than 75% of CPA countries were aware of the PSM plan. In many cases, these stakeholders had been involved in developing or reviewing the PSM plan.

4. In 75% of CPA countries, PRs are reporting prices on the Price Reporting Mechanism (PRM) in spite of technical difficulties accessing this tool.

While the PRM was universally criticized for being slow and difficult to use, the vast majority of PRs were entering data on the PRM since it had been made a condition of

disbursement. The Global Fund Secretariat is aware of the technical challenges and is currently working on solutions.

5. Development partners are involved in coordinating procurement in 75% of CPA countries.

Partner involvement in procurement took different forms across the CPAs. Coordination through the CCM or another standing donor forum was the most common pattern. In some countries, the Global Fund PR took the lead in reaching out to other donor-funded programs (e.g. PEPFAR) to harmonize PSM practices. Coordination was most visible among partners that were conducting procurement for their own programs or donors funding programs procuring health commodities. Less evident was the involvement by stakeholders who are the recipients of commodities or funds from multiple donors' programs (i.e. the SR-level organizations).

Coordination in the CPA countries has taken various forms, from a simple division of territory or commodities to the sharing of SR budgets and needs forecasts among donors. No examples of partner coordination around price negotiation with suppliers were provided to the Evaluation Team. And in four countries development partners were either excluded from key meetings regarding procurement or were included in meetings but with no resultant coordinated procurement. In these four cases politics between and within development partners and government PRs account for the lack of coordination.

6. LFAs assess PR PSM capacity prior to grant agreement and monitor PRs' adherence to procurement guidelines.

In 12 of the CPA countries, LFAs described in detail the assessment process they used to determine PRs' PSM capacity prior to grant agreement. In 11 of the CPA countries, LFAs explained that they check for compliance with the approved procurement guidelines during their performance reviews of the PR. LFAs were aware of procurement audits conducted at the PR level in seven of these countries.

Weaknesses

7. Incomplete procurement documentation was provided to the Evaluation Team.

For a meaningful tender analysis to be conducted, all documents pertaining to an individual procurement need to be made available by the procuring entity. For the 16 CPAs, the Evaluation Team collected documents relating to 28 distinct tenders. However, only 35% of the total requested documents were provided across these 28 sample tenders.

Tender documents were provided with different degrees of cooperation and completeness (Table 1). Two countries – Honduras and Uganda – did not provide any documents at all. Only two countries – Nigeria and Zambia – provided a sample tender with each of the documents required to review an individual procurement. Several countries provided documents relating to tenders or procurement issues (such as correspondence with between the PR and the procurement agent). These documents were taken into account in the analysis of Module 8 findings but not in the sample tender review.

Table 1: Percentage of total requested tender documents and number of distinct tenders collected by country (16 CPAs)

Five Year Evaluation of the Global Fund
Procurement Review Annex

CPA	% of Total Requested Documents	# of Distinct Tenders
Burkina Faso	20%	1
Cambodia	80%	1
Ethiopia	20%	1
Haiti	15%	4
Honduras	0%	0
Kenya	23%	3
Kyrgyz Republic	20%	2
Malawi	47%	3
Nepal	40%	1
Nigeria	100%	3
Peru	0%	0
Tanzania	50%	1
Uganda	0%	0
Vietnam	17%	3
Yemen	3%	3
Zambia	55%	2

For countries that utilized a non-UN procurement agent, the majority of the documents were received either during the CPA or shortly thereafter. For countries utilizing UN organizations for the procurement process, only the orders, invoices, and delivery receipts were made available as bidding happened through the organization's centralized system. The most essential documents for a procurement review, the bids by prospective suppliers and the Bid Evaluation Report, were provided in fewer than half of the sample tenders collected, thereby making a complete review impossible.

Table 2: Percentage of tender documents submitted by type (16 CPAs)

Guidelines	IFB (RFP)	Bids	BER	Notification of Award	Contract	Order	Invoice	Delivery Receipt	Payment
43%	39%	18%	43%	43%	50%	29%	43%	25%	21%

8. There are inconsistent standards for what constitutes a procurement audit. PRs underwent procurement audits to comply with other donors' policies or their own internal governance procedures, not Global Fund requirements.

In 69% of CPA countries at least one PR reported having undergone a procurement audit; however, the Evaluation Team discovered that there were different standards for what constituted a procurement audit. Most respondents who indicated that the PR had undergone a procurement audit explained that a review of procurement documents and processes had been part of the organization's overall financial audit, which was conducted on a regular basis (usually annually). In a few cases, respondents identified the LFA's quarterly performance review as including a procurement audit. No respondent indicated that a stand-alone procurement audit had been conducted under the Global Fund grant.

9. The LFA does not routinely review sub-recipients' PSM or financial management capacity, nor does it routinely monitor disbursement or procurement delays to SRs, even though SRs account for significant procurement volume.

While the Evaluation Team was not able to ascertain the exact volume of procurement conducted by all SRs across all grants in all CPA countries, interviews revealed a surprisingly high degree of PSM functions being conducted directly at the SR level. This was especially true in countries in which the PR was essentially a financial pass through rather than a programmatic implementation agency.

In only two CPA countries did the LFA report having assessed sub-recipients' PSM and financial management capacity prior to grant approvals. In other countries, LFAs reviewed the PRs' assessments of the SRs but did not have direct contact with the SRs. In four countries, LFAs monitored grant disbursements from the PR to the SR and in two of these countries the LFA was aware of disbursement delays from the PR to SRs.

10. Disbursement delays caused problems with procurement at both PR and SR levels.

More than half of CPA countries receiving HIV/AIDS grants reported that disbursement delays had caused problems with procurement. For malaria, just under half of CPA countries with malaria grants had experienced similar challenges. For TB, procurement delays were not due to disbursement lags (with the exception of two CPA countries), but rather to delivery delays by one of the main suppliers of TB drugs, IDA.

Disbursement delays were due mainly to a vicious cycle of late and/or incomplete report submission from SRs to PRs to LFAs. General bureaucracy was also a factor for some public sector and UN system PRs, especially at the level of approval procedures for payment. In two cases, turnover at the level of the LFA or FPM was cited as a reason for disbursement delays.

11. Procurement delays were experienced by more than one-third of CPA countries across all three diseases.

A slightly greater proportion of HIV/AIDS grant recipients experienced procurement delays than did TB or malaria recipients (44% versus 36% and 33% respectively). The reasons cited for procurement delays varied greatly across countries and PRs, including:

- PR changing its order
- Insufficient capacity at PR
- Customs clearance issues
- Inaccurate forecasts
- Inadequate inventory control
- Delays in tender approval
- Delivery delays by supplier
- Price changes
- Delayed payment to procurement agent
- Mismanagement
- Bureaucratic procedures of procurement agent
- Delivery delays by procurement agent
- Extended tendering process
- Limited number of suppliers/Limited supply product

12. There have been delays in procuring commodities even when a procurement agent is used. In some cases, the procurement agent was the cause of the delay.

Although efficiency and expertise is often a justification for outsourcing procurement, using a procurement agent did not protect PRs against stock outs. All five of the CPA countries that experienced stock outs under Global Fund HIV/AIDS grants used procurement agents. For TB and malaria the picture is more mixed. While eight CPA countries used a procurement agent for their TB grants, only one of these countries experienced a stock out. For malaria, one-third of CPA countries using a procurement agent for malaria experienced stock outs.

13. The majority of procurement agents were not selected by international competition.

Only 2 CPA countries reported that their procurement agents had been selected by international competition. Other countries reported that they had picked the organizations with which they had longstanding relationships for the disease program or the only available organization with sufficient capacity in-country. In other CPAs, the Evaluation Team learned that the procurement agent had been selected by the CCM or recommended by a Global Fund staff member.

14. In only 50% of CPA countries were PRs or SRs conducting procurement aware of the Global Fund's revised Quality Assurance policy.

While PR and SR respondents all cited some type of internal selection standards for commodities (such as WHO-approved products), there was not universal awareness that the Global Fund had its own Quality Assurance policy. In some cases, PRs or SRs who were aware that the Global Fund had such a policy did not know that the policy had evolved since previous round grants.

15. The Global Fund did not provide guidance when PRs encountered procurement challenges.

Of the 21 grants reporting procurement problems due to disbursement delays or other factors, only two grants' respondents said that the Global Fund had provided guidance on how to respond to procurement challenges. This finding is in keeping with the Global Fund's principles of country ownership of grant performance and operation within a partnership system but may also indicate insufficient oversight of GF resources which creates risk for effective grant implementation and Global Fund credibility.

Neutral

16. Across all three diseases, a majority of CPA countries are using a procurement agent to procure health commodities.

The use of procurement agents was greatest for HIV/AIDS grants with 75% of CPA countries outsourcing procurement to another organization besides the PR. For the 15 CPA countries receiving malaria grants, 60% used procurement agents to purchase health commodities. For TB, 57% of the 14 countries with TB grants used procurement agents.

17. The vast majority of PRs are not negotiating prices directly with suppliers. In only one CPA did respondents think that the Global Fund played a role in price negotiation.

Either PRs are purchasing based on prices submitted in supplier bids or through procurement agents. Procurement agents may have negotiated prices in long term agreements with suppliers or may use prices submitted in supplier bids, or a combination of these two methods.

The exception is the PR in Peru, which negotiates directly with the supplier for ARVs. As a result, the PR was able to dramatically lower the price obtained from a name brand supplier by negotiating with a generic supplier.

CPA respondents were almost unanimous that the Global Fund did not get involved in the negotiation of prices. In several countries, PRs were benefiting from lower prices negotiated by the Clinton Foundation.

18. PRs in 50% of CPA countries are using direct payment from the Global Fund to suppliers or procurement agents. However, only three CPA countries reported having received guidance from the Global Fund about direct payment.

Not all PRs were familiar with the direct payment option. The majority of those that had opted to use direct payment had done so to increase efficiency or prevent mismanagement of funds within a government bureaucracy. While direct payment may be a more efficient method to assure timely supplier remuneration, some CPA PRs felt that direct payment would be disempowering as they would then have less leverage over suppliers that delivered late or erroneous shipments.

19. LFAs in 63% of CPA countries have observed anomalies and/or bottlenecks in procurement processes, and have played a role in resolving these problems in seven countries.

While this finding indicates that bottlenecks and anomalies are fairly common in procurement conducted under Global Fund grants, it also reveals that LFAs are informed about such deviations. Not only are LFAs monitoring such problems, but they are involved in their resolution, whether through requesting additional funding from Geneva or signaling a need for TA to the FPM.

20. In just under half of CPA countries, PRs and SRs are receiving training around PSM functions under Global Fund grants.

PRs and/or SRs had received training under at least one Global Fund grant in 49% of CPA countries. Organizations implementing HIV/AIDS grants were the most frequent recipients of training (63% of CPA countries). For malaria grants, PRs and SRs had received some form of PSM training in only 47% of CPA countries, and for TB in only 36%.

Training included sessions run by PR staff for SRs, programs organized by external consultants hired with grant or other donor funds, and participation in Global Fund-sponsored workshops.

These levels of training provision indicate that the Global Fund is contributing to building PSM capacity at the PR and SR levels. The variation in training rates across the diseases could indicate a relatively stronger PSM experience among TB and malaria programs, or could reflect a resource gap in the amount of training provided to grantees in these two disease areas.

CONCLUSIONS

Strengths

1. Where the GF has required PRs to follow certain PSM policies and practices as a condition of disbursement, there has been near universal compliance.

The near universal compliance rate suggests the efficacy of imposing PSM standards prior to disbursement in improving PSM policies and practices. Examples include the requirement to develop a PSM plan and procurement guidelines, and to enter prices on the PRM. This can be considered a contribution to strengthening PRs' PSM capacity, although it has been achieved at some cost to the principle of country ownership.

2. LFAs are providing some oversight to PR-level procurement within the boundaries of the role assigned to them by the Global Fund, but are positioned to play a more active monitoring role.

In addition to the required initial review and approval of PRs' PSM capacity and plan, LFAs are playing a role in monitoring ongoing PR procurement practices. Particularly as regards adherence to procurement guidelines, validating data entered on the PRM, and sharing Global Fund policies (e.g. Quality Assurance) with PRs, LFAs are executing the PSM oversight role assigned to them by the Global Fund. LFAs are also involved in the resolution of certain procurement problems, especially those caused by disbursement delays from the Global Fund to the PR. However, LFA oversight does not include conducting specific procurement audits or any systematic review of SRs' procurement capacity or performance. As the "eyes and ears" of the Global Fund, LFAs are aware of many procurement bottlenecks and anomalies in-country, as well as some disbursement delays between PRs and SRs; however, their mandate to remain independent does not allow them to assist in the resolution of these challenges.

3. The Global Fund's principle of operating within a partnership system is functioning at the level of partner involvement in country-level procurement coordination. However partner involvement in resolving procurement problems encountered by PRs has been less forthcoming.

Though not universal, development partners are coordinating with Global Fund PRs about what and how to procure and distribute. However, partners' interest in engaging with PRs around procurement issues appears to be motivated mainly by avoiding duplication or encroachment relative to their own programs, rather than by a desire to see the Global Fund grant succeed as such. Anecdotal evidence from the CPAs suggests that PRs may also be reluctant to reveal PSM problems they encounter to partners, which impedes partner assistance in resolving these issues. While generalizations across CPA countries are difficult, the partnership system around procurement seems immature, with a lack of trust and mutual ownership between PRs and partners limiting effective PSM collaboration in the fight against the three diseases.

Weaknesses

4. Procurement record keeping would appear to be poor in that complete files were not provided to the Evaluation Team. The alternative is that documents were deliberately withheld because the organization did not wish to reveal how the procurement was conducted.

Based on the lack of complete documentation in most countries, a thorough sample tender analysis could not be completed. The Evaluation Team was surprised at the reticence and/or inability of PRs to provide a minimum of one complete procurement per grant. While this was partly due to PRs' extensive use of UN procurement agents with centralized purchasing systems, the paucity of documents provided represents a significant gap in either PSM capacity or oversight. While the data collected by the Evaluation Team is insufficient to conclude of actual procurement fraud or mismanagement, at a minimum the lack of robust record keeping across the 16 CPAs should be considered a red flag. The alternative, that PRs were intentionally avoiding providing documents to the Evaluation Team, should be of equal concern to the Global Fund.

5. The Global Fund's procurement oversight standards are less rigorous than those of other donors or of some GF grant recipients themselves. There is therefore a precedent for the Global Fund to adopt more systematic and thorough standards of PSM oversight, including regular procurement audits.

Other donors are already requiring numerous Global Fund grant recipients to meet more rigorous procurement reporting standards, including undergoing procurement audits. Some PRs' own internal procurement policies are in fact more rigorous and specific than what is required by the Global Fund. This suggests that the Global Fund has room to improve its oversight of PR procurement without imposing an additional reporting burden, if new requirements are harmonized with other donors' and PRs' existing policies. Failure to increase oversight standards (in the name of efficiency or country ownership) may put the Global Fund's investments at risk or raise concerns among GF contributors

6. The majority of disbursement and procurement delays are caused by factors internal to the Global Fund and its grant recipients and should therefore be amenable to improvement.

The vast majority of disbursement delays are due to late, incomplete, or incorrect report submissions, which reflect either limited staff/management capabilities or strained human resources at the SR, PR, LFA, and GF Secretariat levels. Most procurement delays result from these same limitations – inadequate or inadequately trained staff or management - in addition to bureaucratic procedures imposed by or on the PR. Addressing these constraints could lead to significant improvement in PSM performance and allow better responses to exogenous variables like price changes or a limited number of suppliers.

7. Procurement agents do not necessarily improve countries' prospects of smooth commodity supply and management. This may be due to the non-competitive selection of most PRs' procurement agents and the resultant contract terms that give PRs limited leverage over non-performing agents.

While procurement agents may be used for reasons of efficiency or lower commodity prices, the CPA results suggest that this strategy is not enough to assure PSM performance under Global Fund grants. Some of procurement agents' underperformance may be due to bureaucracy within the agent's central purchasing system (a common allegation with UN agencies conducting procurement for PRs). In such cases PRs need to have contractual arrangements that allow them to hold procurement agents accountable (including financially) for underperformance and to seek alternative procurement services if necessary. Opening procurement agent

contracts to international public bidding could give PRs greater leverage in negotiating terms of payment, delivery, etc., although in some countries there may be a genuine supply constraint of interested and eligible bidders.

The CPAs also revealed instances in which procurement agent performance was hampered by late or inaccurate forecasts and orders from the PR, and resulting changes in orders after submission. (These PR capacity issues are discussed in Conclusion 6.)

8. By design, the Global Fund has limited visibility into PSM executed by SRs but this represents a systemic risk to the effective implementation of Global Fund grants given the volume of PSM functions handled directly by SRs.

The lack of direct GF assessment of SR PSM capacity, or of explicit standards for PRs about how to assess SR PSM capacity means that significant amounts of health commodities are being procured, stored, and distributed under inconsistently monitored conditions. This represents a risk to effective grant implementation not to mention a barrier to the Global Fund's tracking of how its resources are spent. This limited oversight of SR PSM also precludes identification of training needs or potential efficiency gains through pooled procurement.

Neutral

9. The Global Fund has adhered to its principles in the area of PSM but sometimes at the cost of grant performance.

In the area of PSM, the Global Fund has successfully followed its principles to be a "financing-only" entity, to let countries own implementation of their grants, and to rely on partners to provide needed technical assistance to grantees. CPA respondents agreed that in almost no instance did the Global Fund offer guidance when grant recipients experienced procurement problems, nor was the Global Fund involved in any price negotiations on their behalf. The Global Fund may view these results as a measure of success in remaining true to their founding principles however this discipline may have allowed procurement problems to fester longer than necessary, resulting in treatment interruptions and implementation delays.

10. Global Fund grants have both helped and hindered indigenous PSM capacity development among grant recipients. The Global Fund appears to have emphasized short term grant performance over long term PSM capacity building, which may jeopardize progress made in the fight against the three diseases once grants end.

Grants have provided and attracted resources for PSM training and technical assistance but their performance-based funding requirements have also prompted countries to outsource PSM to procurement agents. While outsourcing is not inherently contradictory to the Global Fund's principle of country ownership (as countries may select their own procurement agents), this finding suggests that Global Fund grants may be creating parallel systems for procurement rather than strengthening PRs' or governments' PSM capacity. Since the CPAs revealed that using a procurement agent is no guarantee of smooth PSM execution (see conclusion 4 above), the Global Fund may be encouraging PRs into a "lose-lose" situation with neither short term nor long term PSM success.

RECOMMENDATIONS

Due to the large percentage of Global Fund monies that is committed to the procurement of commodities, it is imperative that procurement processes are established and guidelines adhered to so as to benefit from transparency, competition and the economies of scale without corruption.

The following recommendations would benefit the Global Fund and recipient countries to better understand how funds are being utilized for procurement.

1. The Global Fund should increase procurement oversight by the LFA or an independent evaluator to ensure proper utilization of guidelines and funds. The Global Fund should harmonize its procurement oversight standards to the more rigorous ones already in use by other donors and by grant recipients themselves to ensure that stewardship of GF resources is conducted according to international best practice.

The Global Fund should work with its partners to identify a current standard for international best practice in procurement. This standard should include detailed spot audits to determine whether record keeping is in order or whether money is going astray. Compliance with these audits should be a condition of further disbursement to grant recipients. If there is a problem with record keeping better training and the provision of adequate record keeping equipment are required. A determination of misuse of funds would indicate that procurement training combined with ethics training is required. Depending on the degree of the problem, changes in personnel and legal penalties need to be options. If ongoing audits reveal that funds continue to be misused, greater use of procurement agents or grant suspension may be required.

2. Global Fund PSM capacity assessments and oversight should be extended to the SR level.

This would include applying the current standards for PRs to SRs at a regular interval (e.g. quarterly). A corresponding increase in resources allocated to the LFA or other assessment entity would be required.

3. Increased human resources and training for existing staff and management should be allocated for PSM functions.

Training around PSM and general management functions is essential to rectifying procurement bottlenecks under Global Fund grants. Equally important is financing adequate human resources at the SR, PR, LFA, and Secretariat level to process the required reports with due diligence and on time.

4. The Global Fund should develop a strategy for long term PSM capacity building for PRs and SRs to help sustain the benefits of its investments after a grant ends.

Local procurement capacity will be necessary to the fight against the three diseases after Global Fund grants end. Requiring higher standards and increasing oversight can be a part of improving local procurement capacity. PSM capacity building should be a central feature of any Global Fund strategies to sustain the benefits of its investments following grant completion.

5. The Global Fund should play a more active role in resolving or mobilizing partners to resolve procurement problems at the country level, even if it means flexing the principles of “financing-only” and country ownership.

The Global Fund should establish some parameters for the application of its principles by Secretariat staff faced with procurement problems in recipient countries. These parameters should permit a measure of flexibility so that Global Fund staff can direct needed resources and partners to resolving these procurement challenges in the interests of the grant’s target beneficiaries.