

**STRATEGIC INVESTMENT IN COUNTRY DATA SYSTEMS TO SYSTEMATICALLY  
PREPARE COUNTRIES TO MEASURE IMPACT**

**Purpose:**

This paper introduces a strategic investment plan, based on recommendations from the Technical Evaluation Reference Group, to strengthen country data systems in order to prepare countries to measure impact and to position the Global Fund to better deliver on its goal of investing for impact. The SIIC is requested to review the document and make a funding recommendation to the Board for approval.

## 1. BACKGROUND

1.1 Monitoring and evaluation (M&E) data are crucial to ensure effective program implementation; in demonstrating impact; and in guiding the optimal use of limited resources. M&E data form the cornerstone for managing for results and performance based funding in the Global Fund model. Over the past ten years, the Global Fund, together with partners, has made a substantial contribution for developing data systems in countries. However, partners and the Global Fund itself have recognized the need to urgently invest more strategically in high impact countries to further strengthen country data systems in order to use and evaluate results and impact.

1.2 At the 3<sup>rd</sup> SIIC meeting, 9-12 July 2012, the General Manager of the Global Fund emphasized the commitment to measuring impact data through country reviews. Recognizing the importance of strengthened national data systems in measuring impact, the SIIC requested a “comprehensive plan to fill data gaps” and “*an investment plan to fill data gaps in priority countries to be developed with partners*” (GF/SIICo3/12)

1.3 In 2011, the High-Level Independent Review Panel recommended a “Focus on Outcomes not Inputs”. The Panel identified data quality as a risk and recommended to invest in country data systems, “paying for baseline data surveys of the incidence and prevalence of the three diseases at the country level” and that the Global Fund “mandate and underwrite simple (such as cellphone-based) data-tracking and management systems in the field”. They also recommended expanding Data Quality Audits and coordinating with partners on these to guide these investments.

1.4 The Technical Evaluation Reference Group (TERG) of the Global Fund commissioned an independent evaluation of Global Fund investments in country M&E systems in 2011. The study revealed that M&E as a cost category was fairly consistently budgeted below the Secretariat recommended 5-10% level, averaging 3.1% of the total program budget across sampled grants. Overall, grant M&E funds appeared to have been used for supervisory and monitoring visits, with this being the largest single category, rather than for improving country data systems. Given the context of financial resource constraints, the study recommends consolidating M&E investments along the principles of country ownership and sustainability.

1.5 The Five-Year Evaluation (5-YE) of the Global Fund identified inadequate data systems and M&E capacities in countries. It recommended that the Global Fund should work with partners to “*urgently seek a more coordinated approach and the more systematic investment of partners to strengthen the country health information systems and conduct ongoing evaluations*”.

1.6 The Technical Review Panel (TRP) in its report on the Transitional Funding Mechanism in July 2012 (GF/B26/ERO7) identified the need for stronger data on impact and investments in country data systems, with more frequent assessments of implementation progress and impact, rather than only at three-year intervals.

## 2. DISCUSSION

2.1 During the second decade of the Global Fund, the focus is more on the impact on the three diseases in countries. Assessment of the overall impact on the burden of cases and deaths due to the three diseases is not Global Fund specific but is more about the national response to the three diseases. Assessment of impact at national level requires nation-wide evaluation. In this regard, weak national data systems and poor data quality pose a major risk to the Global Fund. Hence, a new approach is required for strengthening data systems and improving data quality.

2.2 In high impact countries there is a specific need for strengthened data systems and country capacity to use and evaluate results and impact. Following a focus on indicators, there is a need to track investments in to the common underlying data systems, surveys, surveillance, civil registration and analytical capacity. Basic system requirements for common data sources and systems are relatively clear and therefore amenable to a more focused investment approach based on in-country assessments with various stakeholders.

2.3 At its retreat on May 3-4 2012, TERG agreed with partners such as WHO, UNAIDS, PMI, GAVI, World Bank and PEPFAR, on an M&E investment approach to assess data systems and data quality and invest in national data systems. The M&E investment approach comprised the following components: (1) a country data system assessment process; (2) an investment framework agreed with partners; and (3) allocation of funding across countries (GF/SIICo5/paper 04).

2.4 The M&E country platform with five components on data systems and on analysis was agreed by TERG as the overall M&E framework for assessing country data systems. The M&E framework will be used to identify gaps in data systems and prioritization of M&E system-strengthening actions by disease. TERG requested the Global Fund Secretariat to collaborate with partners to implement a consolidated data system and data quality assessment checklist and to develop investment plans in 20 high impact countries. The updated checklist following its in-country pilot is given in Annex 1. The objective of the investment framework is to ensure resources are optimally invested to strengthen data systems in-country. It will provide a focused approach for strategic investments based on gaps in data systems; and allow for adaptability across disease components and country specific contexts. The investment framework will also offer unit cost benchmarks as guidance for investing to strengthen data systems.

2.5 At its 20<sup>th</sup> meeting on 3-4 September 2012, the TERG reviewed the progress on the data quality assessment work and the country application of the checklist for HIV, TB and malaria. The TERG welcomed the progress and made recommendations to include additional components, for example commodity tracking and including a column on grant investments over the medium term. In addition, the TERG stressed this approach should be linked closely to grant M&E standards and should catalyze improvements in M&E spending. Furthermore, the TERG noted that the M&E investment approach was an important part of the new funding model and was based on (1) a country review and dialogue process; (2) a strategic investment framework with partners; and (3) financial allocation for countries.

2.6 Accordingly, the TERG recommended that the Global Fund invest an average of US\$ 500,000 per country, in 20 high impact countries, to strengthen identified weaknesses in country data systems and to catalyze further investments in data systems. In addition, they recommended pursuit of co-financing by WHO and PEPFAR to compliment the investment in the 20 countries.

2.7 Following discussions on the M&E investment approach, the WHO agreed in principle to invest US\$ 250,000 per country, for the 20 high impact countries, to improve data systems through the Country Accountability Framework for Women's and Children's Health. The assessments are being jointly planned with countries and key partners, for example PEPFAR, WHO STOP TB, GMP and HIV departments. The Global Fund and partners will develop a joint work plan for countries and a common investment framework so that respective investments have a complementary effect.

2.8 The Global Fund's Monitoring and Evaluation Strategy (GF/B6/11 - adopted at the Sixth Board Meeting), recognizes "adequate resources need to be allocated by grant recipients for effective monitoring and evaluation" and noted donor experiences that suggested "5% to 7% of total annual disbursements to grantees should be targeted towards M&E". These indicative ranges establish general investment parameters that vary in practice based on country context. In order to achieve greater impact, there may need to be more focus on the nature, rather than just the amount, of such investments. As such, the TERG recommends that the Global Fund establish more targeted guidelines on both the amount and nature of M&E investments in grant programs. As guidance, the TERG has recommended 5-10% of future investments in grants to be systematically programmed and tracked according to the major partner agreed categories to strengthen data systems to measure impact.

2.9 The operationalization and implementation of the suggested investments to strengthen data systems to ensure assessment of impact belongs with the Secretariat. Consultation with the TERG and regular reporting to the SIIC will provide the appropriate monitoring and oversight of such implementation.

### **3. RECOMMENDATIONS FROM TERG**

3.1 The TERG recommends an investment by the Global Fund of US\$ 500,000, on average per country, for 20 high impact countries, totaling US\$ 10 million to strengthen identified weaknesses in data systems, catalyze further investments in data systems and prepare countries to measure impact. This amount of US\$ 10 million will be committed under existing grant agreements in the 20 high impact countries and incorporated by the Secretariat into grant budgets. The exact amount and priorities for each country will be guided by the outcomes of the data quality assessment checklist and approved by the Secretariat. This will facilitate investment in data systems and data quality beyond disease-specific and parallel reporting systems and will be used to catalyze further investment from Global Fund grants, partners and domestic funding for strengthening data systems.

3.2 The TERG recommends that investments in M&E with grant funds follow appropriate guidelines on both the amount and nature of how grant funds are invested. As such, it recommends grants to allocate 5-10% to M&E, including up to 7% to strengthen national data systems of reporting, surveys and program reviews. The guideline allocations are 2% for analytical capacity and reviews; 2% for strengthening HMIS; 2% for population-based surveys; and 1% for birth and death statistics (vital registration), respectively, which can be adjusted by country setting. These figures and categories are indicative ranges that may serve as guidance for the Secretariat in the management of grant investments to strengthen M&E systems.

#### **4. RECOMMENDATIONS**

*Based on the discussions above, the SIIC approves the following decision point:*

##### ***SIIC Decision Point 1: Strategic Investment in M&E***

The Strategy, Investment and Impact Committee (the “SIIC”) endorses the recommendations of the Technical Evaluation Reference Group (the “TERG”). The SIIC requests the Secretariat to establish operational procedures and guidelines on appropriate amounts and activities for M&E investments with grant funds.

Based on the discussions above, the SIIC decides to recommend that the Board approve a strategic investment of up to US\$ 10 million in Grant funds to strengthen data systems to measure impact in 20 high impact countries established by the Secretariat. The SIIC shall inform the Finance and Operational Performance Committee and recommend inclusion of the US\$10 million investment in the Forecast of Uncommitted Assets. The SIIC notes that the Board will take an electronic vote to approve the 2013 Operating Expenses Budget after the Twenty-Eighth Board Meeting and decides to recommend the following decision point to the Board during that electronic vote:

##### ***Board Decision Point 1: Strategic Investment in M&E – Catalytic Funding***

The Board notes:

1. the importance of strengthened national data systems to ensure effective program implementation; demonstrate impact; and guide the optimal use of limited resources;
2. the High-Level Independent Review Panel’s recommendation to focus on outcomes rather than inputs and to improve in-country data quality; and
3. the concerns cited in the Five-Year Evaluation and by the Technical Review Panel regarding the need to strengthen in-country data systems and capacity.

The Board approves a strategic investment of up to US\$ 10 million in Grant funds to strengthen data systems to measure impact in 20 high impact countries established by the Secretariat from uncommitted assets in the Trust Fund, as reflected in the most recent Forecast of Uncommitted Assets (GF/FOPCo5/XX). The Grant funds shall be committed and incorporated into existing grant agreements on the basis of country and partner data quality assessments, and subject to successful completion of grant negotiations.

The TERG shall review the M&E investments and report on progress regularly to the SIIC.

*The incremental budgetary implications of this decision point for Strategic Investments in Country Data Systems are US\$ 10 million.*

This document is part of an internal deliberative process of the Global Fund and as such cannot be made public until after the Board meeting.