



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

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GF/B14/15

CORPORATE KEY PERFORMANCE INDICATORS FOR 2007

Outline: This document contains the proposed Corporate Key Performance Indicators (KPIs) for the Global Fund for the calendar year 2007.

Decision Point:

The Board approves the 2007 Corporate Key Performance Indicators and associated 2007 targets which will also serve as the Key Performance Indicators/Targets for the Executive Director.

Part 1: Background and Context

1. At its Thirteenth Board Meeting, the Board approved a set of fifteen Corporate Key Performance Indicators (KPIs) and associated targets for 2006. These KPIs have two main aims. Firstly, they are to systematically measure the performance of the Secretariat and the Global Fund as a whole in advancing the core priorities of the organization year by year. Secondly, they are part of the criteria against which the performance of the Executive Director is measured.
2. The Performance Assessment Committee will review the performance of the Secretariat in meeting the specific targets set for 2006 at the end of this year. In addition, it will provide an update to the Board at its Fourteenth Board Meeting.
3. To measure the performance of the organization in 2007, the Secretariat has developed a draft set of KPIs and associated targets which track the five corporate priorities:
 - (i) Develop the Global Fund's strategy and business model
 - (ii) Scale up interventions, ensure grant performance, and increase alignment and harmonization of investments
 - (iii) Manage for results and measure the impact of investments
 - (iv) Secure resources to meet 2006-2007 needs
 - (v) Develop internal systems to ensure a high-performing, well-managed, and efficient Secretariat
4. The five corporate priorities set out above link to 17 indicators and targets for measuring progress (see Table 1). Of these:
 - (i) Ten are the same indicators as agreed for 2006.
 - (ii) Four have been slightly amended. The strategy indicator/target has been amended to reflect the new timeline for completion. Three other indicators have been aligned with the Performance Indicators for the Global Fund (previously called Performance Indicators for Replenishment) as requested by the Policy and Strategy Committee¹. An effort has been made to adopt the same language and the same measure in the corporate KPIs for 2007.
 - (iii) The KPI on harmonization has been significantly altered,² as the 2006 KPI did not effectively measure efforts towards harmonization. The new indicator (which is a Global Task Team recommendation and will be tracked as part of the OECD-DAC Paris Declaration on aid effectiveness framework) is suggested as a more appropriate alternative.
 - (iv) Two indicators are new for 2007 and reflect emphasis in the specific areas of private sector financing and in finalizing administrative arrangements for the Global Fund.

Decision Point 1:

The Board approves the 2007 Corporate Key Performance Indicators and associated 2007 targets which will also serve as the Key Performance Indicators/Targets for the Executive Director.

¹ Report of the Policy and Strategy Committee, decision point 8, GF/B14/7

² From “# of countries where annual reviews carried out with partners are used in grant evaluations” to “% of grants aligned with Country or PR fiscal cycle”

CORPORATE KEY PERFORMANCE INDICATORS 2007

Unless specifically mentioned in the endnote, the indicator has not changed from that set and approved for 2006

Corporate priority	2007 Metric (KPI)	2007 Target
1. Develop the Global Fund's strategy and business model	Completion of strategy and progress on strategy implementation ¹	Strategy endorsed by Board in April 2007, strategy document published and implementation underway by mid-2007
2. Scale-up interventions, ensure grant performance, and increase alignment and harmonization	% of agreed top ten coverage targets reached by all grants in Phase 1 ²	85% of targets
	% of grants addressed successfully out of those identified by EARS prior to Phase 2 evaluation ³	60%
	Actual disbursements compared to target disbursement ⁴	90%
	Average time between grant approval and first disbursement	8 months
	Funding follows performance: well-performing grants receive higher % of expected disbursements than poor-performing grants ⁵	"A"-rated grants receive 30% more than "B2/C"-rated grants
	% of grants aligned with Country or PR fiscal cycle ⁶	70%
3. Managing for results and measuring the impact of investments	% of grants during Phase 2 which measure impact as part of performance	90%
	% of grants with complete progress & financial data published in grant performance report at time of disbursement (within 2 weeks) ⁷	90%
4. Secure resources to meet 2006 and 2007 needs	% of 2007 funding needs contributed	100%
	% of 2008 needs pledged	70%
	Total dollars raised from private corporate sector (as % of total need) ⁸	2%
5. Develop internal systems to ensure a high-performing, well-managed, and efficient Secretariat	% of staff with defined objectives and annual reviews of results and development	90%
	% staff who rate professional satisfaction and motivation as "high" or "very high" in internal staff survey	70%
	Operating expenses as % of grants under management and as a % of total expenditures	<3%, 10%
	Performance against three agreed diversity targets (gender, ethnicity, communities)	80% of targets met
	Resolve long-term administrative arrangements of the Global Fund: 1. Secure administrative services independent of the UN 2. Revise ASA with WHO (or another UN agency) and clarify issues of dual governance <i>[Metric dependent on FAC recommendation to the Board]</i> ⁹	<i>[For the option chosen by the Board]: Produce a cost analysis and implementation plan by April 2007</i>

Explanatory footnotes

¹ This target has been amended to reflect updated progress on the strategy.

² This target has been aligned with Performance Indicators for the Global Fund.

³ This target is the same as the one for 2006. Twenty grants in their first year of implementation in 2006 have been identified by the Early Alert and Response System (EARS) and highlighted for addressing internally or with partners. "Addressed successfully" is defined as an improvement to at least grade B1 at Phase 2.

⁴ This target has been aligned with Performance Indicators for the Global Fund. The disbursement target for 2007 will be available prior to end 2006 when Round 6 commitment has been determined.

⁵ This target is unchanged from 2006. However, the figure is subject to fluctuation at a single point in time; it will be tracked monthly to report an average over time.

⁶ This indicator replaces the 2006 indicator "*# of countries where annual reviews carried out with partners are used in grant evaluations*".

⁷ This target has been aligned with Performance Indicators for the Global Fund.

⁸ This is a new indicator for 2007 and is designed to measure how the Global Fund is performing in its commitment to increase the financial input of the private sector. This figure represents the percentage share of the private corporate sector contribution (including individuals) to the total annual resource need of the Global Fund (excluding donations of products and services).

⁹ This is a new indicator for 2007 and is designed to measure how the Global Fund is performing in implementing the decision of the Board (expected at the Fourteenth Board Meeting) in relation to administrative service arrangements for the Secretariat.

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