TERG

The Global Fund 5 Year Evaluation

SUMMARY

SEPTEMBER 2008

TECHNICAL EVALUATION REFERENCE GROUP SUMMARY PAPER

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 SIXTEEN COUNTRY STUDIES

Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

THE TECHNICAL EVALUATION REFERENCE GROUP (TERG) is an advisory body providing independent assessment and advice to the Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria on issues which it determines require Board attention.

The Board also directs the TERG to examine specific programmatic aspects of the Global Fund as appropriate. The TERG advises the Global Fund Secretariat on evaluation approaches and practices, independence, reporting procedures and other technical and managerial aspects of monitoring and evaluation at all levels.

Members of the TERG are nominated and confirmed by the Board of the Global Fund. Membership of the TERG is drawn from a range of stakeholders, including practitioners, research institutions, academics, donor and recipient countries, and nongovernmental organizations.

Members of the TERG are listed in Annex A.

1.0 EXECUTIVE SUMMARY

BACKGROUND AND RATIONALE FOR THIS PAPER

The Five-Year Evaluation originated from a Board decision in 2003 to review the Global Fund's overall performance against its goals and principles after at least one full grant cycle had been completed, five years after the Global Fund's creation in 2002. Final approval for the launch of the Five-Year Evaluation was given by the Board at its meeting in November 2006. Under the independent oversight of the Technical Evaluation Reference Group (TERG), independent consultants were identified to carry out the external evaluation. Based on a Scope of Work developed by the TERG, the Five-Year Evaluation focuses on three study areas:

Study Area 1 – Organizational efficiency and effectiveness of the Global Fund

Study Area 2 – Effectiveness of the Global Fund partner environment

Study Area 3 – Impact on the three diseases

The Global Fund's creation in 2001 was based on a unique premise – that technical and development partners were in place and ready to provide the assistance necessary to rapidly scale up country programs to fight the three diseases, but that massive levels of funding were critically needed. The Global Fund was born to respond to this urgent need and to act as a financing institution, largely depending on development partners at the global and country levels for most aspects of country support and grant implementation. This initial vision was an untested model for providing development assistance.

Study Area 2 of the Global Fund's Five-Year Evaluation was the "Evaluation of the Global Fund Partner Environment, at the Global and Country Levels, in Relation to Grant Performance and Health Systems Effects, Including 16 Country Studies". Study Area 2 found that the Global Fund model still challenges all stakeholders of the Global Fund, including its partner organizations and its own staff, in improving more than 50 years of traditional ways of providing development assistance.

The Study Area 2 report concluded that six years into the implementation of its unique model, the Global Fund has made notable and significant contributions towards its original aims, specifically:

- The exceptionally rapid start-up, attracting significant levels of funding to fight the three diseases;
- The establishment of a new model for global public/private partnerships that is country-led and demand-driven, that includes new constituencies in its governance structure (in particular civil society, persons and communities affected by the diseases, and the private sector), and that operates without a field structure of its own;
- The establishment of high standards of transparency, together with a performance-based funding model that promotes an accountability ethic in grantees;
- The contribution to strengthening health systems, even through disease-specific funding, by providing financing and strengthening capacity in core functions such as procurement, human resource development, monitoring and evaluation (M&E) and financial management.

While recognizing the overall achievements of the Global Fund during its first six years of operation, the Study Area 2 report highlighted a number of areas where improvements are required, specifically concerning the establishment of more effective partnerships.

The TERG had hoped that Study Area 2 would provide answers to questions on the link between the partner environment and grant performance. For a number of methodological and other reasons, the Study Area 2 report did not provide a clear answer to this question but did provide a number of indications and observations useful for developing more effective ways of working among countries, partners, and the Global Fund Secretariat.

The methodology was largely based on interviews at the country level, with reference to secondary published reports and Global Fund records on grant performance. Certain methodological weaknesses were observed, such as the lack of sufficient interviewing at the global level, an overly complex approach at the country level and the lack of well-qualified staff at all stages of the study. The TERG finds that the quality of the report varied with a stronger evidence base presented for certain sections, such as those on technical assistance and grant oversight, while the section on health systems strengthening (HSS) had little supporting data. The TERG also finds that the comparisons with other global initiatives were limited in scope.

In the view of the TERG, the contractor's report on Study Area 2 has described the complex environment of partnerships at country level and some of the impact of these relationships on the successful implementation of the Global Fund grants. Throughout Study Area 2, the TERG assisted the consultants in improving their approach, analysis and report writing. TERG considers that the final Study Area 2 report has reached an acceptable level, while still having gaps and limitations. The TERG expects that the gaps and weaknesses identified by the TERG will be addressed in Study Area 3 report or in the Synthesis Report that will bring together and extend the findings and recommendations from all three study areas of the Five-Year Evaluation.

In analyzing the Study Area 2 report and preparing its Summary Paper, the TERG sought to make the evaluation more useful through:

- Prioritizing recommendations,
- Focusing and sharpening the formulation of recommendations,
- Providing strategic analysis, and
- Addressing shortcomings and misinterpretations in selected areas.

Based on the findings and recommendations in the Study Area 2 report produced by the contractor, previous evaluations implemented under the oversight of the TERG, and, informed by the collective experience of the TERG members, the TERG has prepared 16 priority recommendations addressing:

- The position of the Global Fund in the global architecture,
- Global Fund partnerships,
- Grant oversight capacity,
- Provision of technical assistance,
- Strengthening of health systems and
- Assessment of grant performance.

The TERG will address HSS and system-wide effects in more detail once results from the Health Impact Evaluation (Study Area 3) become available.

I. SUMMARY OF TERG CONCLUSIONS AND RECOMMENDATIONS

This TERG Paper does not replace but supplements the extensive report prepared by the contractors. The TERG examined the recommendations in the Study Area 2 report from the contractor with the objective of analyzing them against the policy intent of the Global Fund and the broader development context in order to highlight priorities for action and to inform Global Fund stakeholders, in particular the Board and the Executive Director, in their work. The TERG conclusions and recommendations differ from those in the contractor's report in a number of instances. Differences arose (1) when the TERG felt that there was inadequate collection of data to support the conclusions and recommendations in the contractor's report and (2) when key aspects of the partner environment and relationships were not adequately examined. The table in Annex B presents an overview of the TERG assessment of the recommendations in the Study Area 2 report from the contractor. On some topics the TERG did not provide a corresponding TERG recommendation as it considered that recommendations from the contractor to be acceptable.

1. OVERARCHING ISSUES

- **Respecting country[1] ownership:** The primary objective of all development efforts must be to empower countries in their capacity and means to design and implement their own health plans, with a measurable impact on the health of the people. Country ownership should be seen as the basis of all Global Fund partnerships, with partners working together to support country-led programs. Too often, partnerships are not driven by this common goal.
- **Country ownership and performance-based funding:** The principle of country ownership and the need to document results go hand-in-hand. A focus on results linked to disbursements is also in the interest of all partners, and will in itself contribute to improving performance of country programs and strengthening country ownership. Performance-based funding as such does not undercut country ownership.
- **Resolving misconceptions through consistent communication and implementation of policies:** The TERG considers that the basic principles underlying the Global Fund's policies are sound. The Global Fund, however, faces difficulties in communicating and implementing these policies effectively and coherently at global and country level. Consistent communications to and from all stakeholders at all levels is critical. Global Fund staff should act as "ambassadors" of these principles and should receive training and adequate support to be able to provide clear, consistent, reliable information on Global Fund policies, in particular to those partners working at country level.

1 "Country" in the context of this paper means all the partners and implementers at country level who are represented on the Country Coordinating Mechanism (CCM), assuming that the CCM is operating as intended.

2. Global Fund in the Development Architecture

2.1 ***The Global Fund should remain true to its mandate as a financing entity, with the awareness that its scale and scope influence both policy and development issues.*** To better situate and differentiate the Global Fund in the global development architecture, the Board of the Global Fund should provide clear guidance to the Global Fund Secretariat with respect to strengthening or limiting its roles relative to those of its partners, in the areas of financing, policy and development.

2.2 The Global Fund is critically dependent on effective and efficient partnerships, and must seek clarification of the roles and responsibilities of partners at both the global and country levels at different stages of the grant lifecycle. ***The Global Fund Board should seek to open "governing body to governing body" discussions aimed at leading to direct negotiations of a Global Partnership Framework*** between the Global Fund and the World Bank, the Joint United Nations Programme on HIV/AIDS (UNAIDS), the World Health Organization, The European Commission, development banks, engaged bilaterals, and those global partnerships most directly involved in the focus areas of the Global Fund - particularly the the Roll Back Malaria (RBM) and Stop TB Partnerships.

3. Global Fund Partnerships

3.1 Global Fund partnerships must be built around country-owned programs. ***Development partners should strengthen their bilateral engagements with the Global Fund***, in particular through internal dialogue among country, regional and global-level organizational units to ensure continuity between Global Fund policies/approaches and country-level interpretation and implementation.

3.2 ***The Global Fund should pursue its pioneering and proactive engagement of civil society, through encouraging in-country and regional partners to empower civil society organizations to participate actively in Global Fund processes through:***

a. Establishing a technical assistance strategy to provide civil society organizations with the technical, managerial, and financial support to be able to engage as effective partners (e.g. training to become sub-recipients; facilitating access to the CCMs);

b. Developing and supporting new and existing civil society networks to build institutional capacity for participation and policy engagement, in particular through CCM participation;

c. Significantly expanding and strengthening its engagement with the private sector;

d. Encouraging CCMs and Principal Recipients (PRs) to work through various communication channels including the media to help achieve transparency about the work of the Global Fund and its partners in country, and informing civil society organizations of opportunities to apply as sub-recipients.

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

3.4 Gender was not addressed in the evaluation of the partnership environment. ***The TERG strongly recommends that the Global Fund Secretariat should integrate and highlight gender in the development of its partnership strategies.*** Together with technical partners, the Secretariat should develop effective tools to support country-level stakeholders in building capacity to address gender issues with respect to gender equity in both disease-specific issues and in the development, management, and implementation of programs.

4. Grant Oversight Capacity

4.1 ***In efforts to improve grant oversight capacity, the Global Fund should support the introduction of country-owned quality assurance mechanisms***, through:

a. Working with country level partners to build sustainable capacity for quality management at the sub-recipient level and a plan as to how quality assurance of sub-recipients and sub-sub-recipients may be achieved.

b. At the same time working with countries to establish the highest accounting standards and fiduciary controls, for example, in relationship to procurement. To support these initiatives, TERG recommends the Global Fund Secretariat, preferably together with development partners, conduct random audits of grant expenditures by sub-recipients and sub-sub-recipients to build financial management capacity and to discourage fraudulent use of funds.

4.2 The Study Area 2 report did not present a recommendation on streamlining all processes but it did emphasize better communication. As the Global Fund has evolved over the last five years, policies and guidelines for all areas - including grant oversight - have been added and adapted to operationalize diverse aspects of Global Fund processes. This has led to a complex web of interdependent policies which often limit the Global Fund's responsiveness. The TERG considers that:

Given its anticipated growth, ***the Global Fund Secretariat urgently needs to conduct a step-by-step review of its policies, guidelines and procedures in order to fundamentally streamline and simplify them***. The TERG recommends a working group be formed with country partners to conduct this review.

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

a. Clearly define circumstances, criteria and the processes under which national strategies can be funded by the Global Fund, especially ensuring the continued involvement of civil society: and

b. Ensure that fiduciary control, accountability and principles of performance-based funding are maintained to allow program audits.

4.4 The Study Area 2 report recommended that the Secretariat address the problems of data quality. The TERG recommends that country partners, together with development partners and the Global Fund Secretariat, should comprehensively ***address the critical issue of improving data quality. This is highly relevant to program management decisions and impact evaluation at country level. If unresolved, data quality issues represent potential threats to the validity and credibility of the Global Fund's performance-based funding model.*** Such a review should include:

a. Ensuring explicit inclusion of measures for service quality, gender, equity, and Paris Declaration objectives when setting in-country performance indicators and determining funding decision-making processes; and

b. Encouraging efforts at the country level to increase the quality of baseline data, building on the model impact platform that is under development as part of the Five-Year Evaluation as well as other methods under development with the support of the Health Metrics Network and others. The review should also explore direct investment in relevant systems and surveys that support grant performance assessments. In-country development agencies and academic institutions should be included as central partners.

5. Technical Assistance

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

5.2 Adequate financing for technical assistance is critical. However the Global Fund should maintain the essential principle that Global Fund monies be provided to fund country programs. As such, the TERG recommends:

a. The Board of the Global Fund should re-emphasize that it does not directly fund its partners to provide technical assistance, and should reinforce its message that countries are encouraged to submit grant proposals with comprehensive budget allocations for technical support;

b. The Technical Review Panel (TRP) should review the adequacy of technical assistance plans, including the development of such capacities at the country level;

c. Development partners should re-examine the extent to which their existing resources and budgets can be targeted to more efficiently support Global Fund programs. This may be part of the "governing body to governing body" discussions leading to a Global Partnership Framework, including a coherent fundraising strategy.

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

6. Health Systems Strengthening

The TERG did not formulate priority recommendations on HSS at this time. The TERG will present detailed recommendation on HSS once the limited findings in the Study Area 2 report are strengthened by more focused findings on HSS as expected from Study Area 3. The TERG wishes to highlight only one urgent issue at this time.

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

7. Determining Grant Performance

7.1 Study Area 2 found that the present performance measurement system of the Global Fund does not sufficiently discriminate between strong and weak performance in relation to the level of disbursement. The TERG therefore recommends that ***the Secretariat should make the continued improvement of the current performance monitoring system a matter of highest priority***, based on a systematic and quality-assured approach to performance ratings and disbursements. The Secretariat should also explicitly incorporate additional positive incentives for performance in the performance-based funding system.

7.2 It is critical that performance measurement be an integral part of country surveillance and M&E systems. Primarily, M&E should serve implementers to make rational management decisions. The TERG urges ***internationally-mandated technical partners to work with country counterparts to strengthen country surveillance and M&E systems, taking into account the needs of performance-based funding***.

II. BACKGROUND

The Five-Year Evaluation originated from a Board decision in 2003 to review the Global Fund's overall performance against its goals and principles after at least one full grant cycle had been completed, five years after the Global Fund's creation in 2002. Final approval for the launch of the Five-Year Evaluation was given by the Board at its meeting in November 2006. Under the independent oversight of the TERG (see Annex A for membership), independent consultants were identified to carry out the external evaluation. Based on a Scope of Work developed by the TERG, the Five-Year Evaluation focuses on three study areas that are organized around the following overarching questions:

Study Area 1 – 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?

Study Area 2 – Effectiveness of the Global Fund partner environment: How effective and efficient is the Global Fund's partnership system in supporting HIV, tuberculosis (TB) and malaria programs at the country and global level? What are the wider effects of the Global Fund partnership on country systems?

Study Area 3 – Impact of the Global Fund on the three diseases: What is the overall reduction of the burden of AIDS, tuberculosis, and malaria, and what is the Global Fund's contribution to that reduction?

The first report from the Five-Year Evaluation covered Study Area 1, addressing the organizational efficiency and effectiveness of the Global Fund, and was completed in October 2007. The TERG presented the Study Area 1 report, together with their Summary Paper on the report, to the Board in November 2007. The report on Study Area 2, addressing the effectiveness of the Global Fund partner environment, was completed in June 2008 and this paper presents the TERG's summary and recommendations from this second phase of the Five-Year Evaluation. The examination of the impact on the three diseases in 18 countries (Study Area 3) is the most extensive component of the Five-Year Evaluation and is expected to be completed in late 2008 with presentation to the Board in April 2009. A final report synthesizing the evaluation findings across all three study areas will also be completed in late 2008 with presentation to the Board in April 2009.

The Study Area 2 consortium consisted of Macro International staff, the Johns Hopkins School of Public Health, Axios International, CORE Group, Development Finance International, the George Washington School of Public Heath, the Indian Institute of Health Research Management and Partnerships in Health.

The TERG reviewed numerous interim deliverables on Study Area 2 from April 2007 to August 2008, and provided consolidated, repeated written feedback to the Study Area 2 team. This included reviewing three drafts of the inception report (April - June 2007), a report on preliminary findings (August 2007), a data collection and analysis plan (October 2007), a draft interim report (December 2007), and two draft final reports (February and April 2008). A delay of approximately three months was experienced at the outset of the project due to delayed contracting. Further delays were encountered, as the evaluation team was unable to maintain their ambitious timetable. In the interest of having a quality report, the TERG ultimately agreed to several extensions, resulting in the due date for the final report moving from February to June 2008.

III. INTRODUCTION

Study Area 2 faced major challenges in evaluating the Global Fund's very different approach to development assistance. Not only did the Global Fund explicitly state that it would be a financing-only mechanism, but it made it very clear from the beginning that it would depend on strong country ownership, supported by multiple partnerships. This innovative approach was intended to overcome the perpetual resource constraints, at least for the three disease areas, and at the same time demand of its development partners an entirely new role that is decisively distinct from the practice and habits of previous decades. It has also created entirely new networks in which civil society organizations play an important pioneering role. This unique approach results in complex relationships among diverse stakeholders.

Study Area 2 tried to disentangle and describe these new relationships. The Study Area 2 report from the contractor generated a number of useful conclusions; however, much more exploration is required to fully understand how this "experimental" system can be optimized. Considering this radical change in development cooperation progress has been remarkable, while significant opportunities for improvement remain to be pursued. The TERG has tried to synthesize the recommendations in the Study Area 2 report from the contractor - taking into account the quality of the underlying findings - into a Summary Paper that will be helpful to the Board, the Secretariat and stakeholders in planning actions to strength partnerships.

IV. METHODOLOGY

Overview

Study Area 2 was conducted primarily using qualitative data collection techniques that included structured, semi-structured and open-ended key informant interviews with partners and stakeholders at both the country and the global levels. In addition, secondary selective data sources such as published reports, articles, and previous studies were utilized. A systematic approach was used for qualitative data collection in terms of selection of respondents, standardization of data collection tools and the use of coding for analysis of the data. Quantitative data on grant performance were accessed from the Global Fund's databases as well as from public data sources.

Country Level

The TERG purposefully selected the countries for Study Areas 2 and 3 from a short-list of 32 countries that had been selected based on multiple criteria, including the level of disease burden, the magnitude of Global Fund distributions and the duration of funding, adequate regional representation, the partner environment and the capacity for impact evaluation. Sixteen countries were selected for Study Area 2 and twenty for Study Area 3. In order to link data from these two study areas, eleven of the sixteen countries selected for Study Area 2 were also part of Study Area 3 (Table 1). All of the sixteen countries selected for Study Area 2 had a high disease burden and had received grants in most cases for all three diseases over a period of five years. They were selected to cover a range of grant performance based on grant Phase 2 ratings. Three countries were rated as having good, eight as medium, and five as poorly-performing grants. Details on the country selection process are available on the Global Fund website (http://www.theglobalfund.org/en/files/terg/5YrCountrySelection.pdf).

Table 1: Study Area 2 Focus Countries

Burkina Faso*	Kyrgyzstan*	Malawi*	Kenya
Cambodia*	Nepal*	Peru*	Nigeria
Ethiopia*	Viet Nam*	Tanzania*	Uganda
Haiti*	Honduras	Zambia*	Yemen

*Study Area 3 Countries

The central focus of Study Area 2 was the Country Partnership Assessment (CPA). This was an in-depth qualitative assessment carried out in 16 countries by a team of four to six researchers over a two- to three-week period, using a standard set of interview protocols, respondent selection criteria and data analysis tools. The CPA tool was designed in a modular format that included separate modules on private sector resource mobilization, harmonization, in-country partnerships, technical assistance, country ownership and alignment, performance-based funding, procurement and grant performance. Interviewers used the modules that were relevant for the particular respondent. Respondents (approximately 60 per country) were selected on the basis of their status as grant recipients, CCM members, civil society or health sector leaders, donor or technical assistance partners or involvement in service provision for any of the three diseases. In addition to conducting interviews, CPA teams collected secondary data, including country-specific reports, disease control strategies, and financial data on grant disbursements.

Limitations of the Study

The Study Area 2 report outlined limitations and challenges that the contractor faced, including unrealistic timelines. The TERG was asked to extend the timelines on several occasions and considers that the study design could have been better planned in accordance with the time available. Most importantly, the TERG considers that the contractor did not engage sufficient numbers of well-qualified, high-level personnel to work on Study Area 2 from the beginning, thus resulting in serious delays in the completion of the study. The contractor's Study Area 2 team was finally strengthened after repeated interventions by the TERG; however, by this time the data collection had already been concluded. The strengthened team improved the data analysis and, most significantly, the drafting of the report and its recommendations.

The original plan approved by the TERG had called for a two-stage process in which the CPA tool would be piloted in several countries, the results analyzed, and the tool simplified prior to being applied in the remaining countries. However, due to unexpected challenges and time constraints, detailed analysis of the pilot process in the initial countries did not significantly inform ongoing processes as was intended. In spite of this, the CPA tool has generated useful data for analysis and addressed the key questions of Study Area 2. The TERG recognizes this and believes that the lessons from this current effort can inform the adaptation and further simplification of the CPA tool. This should include more effective use of probing questions which will provide greater opportunity to capture new insights and depth from future assessments.

The TERG finds that the Study Area 2 report has not adequately addressed all of the hypotheses and study questions outlined in the Inception Report. A major shortcoming in the methodology for Study Area 2 is that the strong focus on partnership at the country level compromised attention to partnership at the regional and global levels. At the regional and global levels, interviews were conducted with only a limited number of partner organizations, and did not include key leaders and decision-makers in these institutions, with certain key organizations such as the European Commission, the African Union and regional economic communities (ECSA, SADC, ECOWAS) and other regional organizations not adequately represented.

The quality of the report varies. The sections on technical assistance and grant oversight are somewhat stronger, with a reasonable evidence base. The section on technical assistance, however, did not consider the full range of types of assistance, including South-South assistance, technical assistance differentiated by disease area, and the different categories of technical assistance providers. In addition, the underlying reasons for not using available technical assistance funds were not considered. The section on HSS lacks relevant, specific data and is based mainly on opinions from interviewees. It is expected that Study Area 3 will provide meaningful data on HSS as well as on gender issues, and the TERG has requested that these topics be addressed in more detail in the Study Area 3 report as well as in the final Synthesis Report for the Five-Year Evaluation.

Despite the challenges of developing and implementing such a large-scale qualitative study, the TERG considers that the amount of data collected was substantial and that the analysis was conducted systematically, leading to a number of credible findings and conclusions. The remaining gaps identified in Study Area 2 will need to be addressed in Study Area 3 and in the final Five-Year Evaluation Synthesis Report, or through additional studies.

Notwithstanding the weaknesses outlined above, the TERG feels that a number of important conclusions can be drawn from the Study Area 2 report that deserve the attention of the Global Fund Board.

V. KEY FINDINGS AND RECOMMENDATIONS

The Study Area 2 report from the contractor presented findings in six areas of analysis:

- Global Fund's position in the global development architecture
- Global Fund partnerships
- Grant oversight capacity
- Provision of technical assistance
- Strengthening of health systems
- Assessment of grant performance.

This TERG paper presents priority recommendations relating to each of these areas, with the exception of the area of HSS, for which insufficient evidence is available at this time to draw extensive conclusions. Only the issue of procurement will be addressed in this paper. It is hoped that clear recommendations on HSS can be reached once the findings of Study Area 3 (Health Impact Evaluation) are available.

It is important to note that this TERG paper does not replace but supplements the extensive report prepared by the contractor. The TERG looked at the recommendations in the contractor's Study Area 2 report with the objective of analyzing them against the policy intent of the Global Fund, and the broader development context, in order to highlight priorities for action and to inform Global Fund stakeholders, in particular the Board and the Executive Director, in their work. The TERG conclusions and recommendations differ from those in the contractor's report in a number of instances. The table in Annex B presents an overview of the TERG assessment of the key recommendations in the Study Area 2 report from the contractor.

1. Overarching Issues

From previous TERG studies and from the Study Area 2 findings, the TERG has identified the following three overarching issues that strongly relate to virtually all the conclusions and recommendations:

1.1 Respecting country ownership

The Paris Declaration clearly states that the primary objective of all development efforts must be to empower countries to develop the capacity and means to develop and implement their own health plans, with a measurable impact on the health of the people. Country ownership should be seen as the foundation of all Global Fund partnerships, with partners working together to support country-led programs. Countries are at times overwhelmed with the advice of international experts, thus unintentionally undermining the principle of country ownership.

Country ownership should be seen as the foundation of all Global Fund partnerships, with partners working together to support country-led programs

1.2 Country ownership and performance-based funding

The Study Area 2 report recognized a tension between the principle of country ownership and that of performance-based funding. Different perceptions of performance-based funding were reported, ranging from the opinion that performance-based funding is helpful in clearly focusing programs to suggestions that performance-based funding is a burdensome system that results in attention given more to quantity rather than quality of service. The TERG views the tension between the principle of country ownership and the need to document results as a desirable tension that may in itself contribute to improving the performance of country programs and the strengthening of country ownership. The performance-based funding model can help implementers to set realistic targets and promote continuous improvement processes.

The tension between the principle of country ownership and the principle of performance-based funding is desirable.

1.3 Resolving misconceptions through consistent communication and implementation of policies

The TERG reaffirms that the basic principles underlying Global Fund's policies are sound. The Study Area 2 report found profound confusion among the many stakeholders in health and international development regarding Global Fund policies and partner roles and responsibilities in their implementation. The contractor's report also found a lack of consistent application of the rules and procedures as a result of the variability in interpretation of these policies. The Global Fund faces difficulties in communicating and implementing these policies effectively and coherently at both the global and the country levels. The TERG considers that consistent communications must be targeted to both Global Fund staff and external stakeholders at all levels. Global Fund staff should act as "ambassadors" of these principles and should receive training and adequate support to be able to provide clear, consistent, reliable information on Global Fund policies, in particular to those working at country level. Global Fund staff should be client-oriented and sensitive to the fact that the Global Fund is serving country partners in their efforts to implement sound country programs.

Consistent communications must be targeted to both Global Fund staff and external stakeholders at all levels.

2. Global Fund in the Development Architecture

Global Fund as a financing entity: The Study Area 2 report did not fully address the Global Fund's position in the global development landscape and its comparative advantage in the global system for international development. The report highlighted that the Global Fund Board should clearly delineate the limits of Global Fund's role as a financing, policy or development entity and concluded that presently the Global Fund is acting primarily as a financing organization. The TERG recommends that the Global Fund remain true to its mandate as a financing entity, with the awareness that its scale and scope influences both policy and development issues. The Global Fund should guard against undue expansion of its mandate. With respect to policy, the TERG recommends that the Global Fund continue to recognize the leadership of specialized technical agencies. The Global Fund is not and should not become another development agency.

The Global Fund should remain true to its mandate as a financing entity, with the awareness that its scale and scope influence both policy and development issues.

Towards a common understanding of the Global Fund partnerships: Study Area 2 found profound confusion among the many actors in health and international development as to their specific roles and responsibilities. Within the global development arena, there is a bewildering array of bilateral, multilateral, non-governmental, private, and hybrid organizations active in health that have overlapping functions resulting in a confused or non-existent division of labor. The Paris Declaration of 2005 attempts to address these deficiencies, recommending international or country-level harmonization of collective efforts and alignment with national plans and strategies. By design, the Global Fund can only function as part of a network of partners and stakeholders at the global and country levels. In order to improve its interaction with partners, the TERG recommends that the Global Fund work with partners to clarify roles and responsibilities at both global and country levels. The Global Fund with partners should initiate "governing body to governing body" discussions aimed at leading to direct negotiations of a Global Partnership Framework among the Global Fund and the World Bank, UNAIDS, WHO and bilaterals – and those global partnerships most directly involved in the focus areas of the Global Fund (particularly the RBM and Stop TB Partnerships).

The Global Fund Board should seek to open "governing body to governing body" discussions aimed at leading to direct negotiations of a Global Partnership Framework.

Benchmarking the Global Fund: The Study Area 2 report benchmarked the Global Fund's grant oversight processes against those of other major organizations. It concluded that the uniqueness of the Global Fund lies not so much in its focus as a financing organization, but in the low ratio of staff to financial commitments and disbursements, the singularity of its focus, and the country-led preparation of proposals. The TERG finds that comparisons with others global initiatives and their partnership models were so far very limited in scope. It would have been desirable to explore comparisons among global initiatives further, to facilitate a mutual learning process between these initiatives. The TERG recommends that an analysis of the resource flows of overseas development aid be completed.

3. Global Fund Partnerships

The Global Fund model combines massive funding, no field operations and a relatively small Secretariat and can only succeed through catalyzing effective partnership arrangements, at the national, local and global levels. Study Area 2 confirmed that the Global Fund has multiple types of partners and has mobilized an extensive range of innovative partnerships to combat the three diseases.

Evolving partnerships: The Global Fund has high expectations of the development partners and their roles in assisting with development of quality proposals, supporting effective grant implementation and program M&E and identifying grant problems and technical assistance needs. At the global level, Study Area 2 found positive examples of specific partnership arrangements that outline a clear division of labor, avoiding duplication of efforts. For example, RBM has supported proposal development and has provided direct support to Global Fund grants. Under a Memorandum of Understanding, the Stop TB Partnership provides services and technical assistance to Global Fund-financed programs. Unfortunately, these examples are the exceptions, not the rule.

Partners in support of country-owned programs: the TERG recommends that systemized partnerships should be built around country-owned programs. While there is broad agreement at the global level, especially among Board members representing their respective constituencies, the same constituencies may pursue varying objectives at the country level. Following on from the recommendation for "governing body to governing body" discussions, internal dialogue between country, regional and global level organizational units is necessary to ensure continuity between Global Fund policies/approaches and country-level interpretation and implementation.

Development partners should strengthen their bilateral engagements with the Global Fund.

Civil society: Most notably, the Global Fund has engaged to an increasing extent the consistent participation and engagement of civil society organizations, the private sector and affected persons and communities. A key finding of Study Area 2 was that the Global Fund has proactively created effective structures for the representation and participation of civil society organizations at the global and country levels. The CPAs, however, documented recurrent barriers to effective CCM participation. Challenges remain in working with the diversity of civil society organizations and their particular social roles and objectives, with governments at times being reluctant to include and empower civil society organizations, particularly those representing vulnerable groups. In addition, poor communication in some countries limits the scope of inclusion of civil society organizations. Where such organizations are organized into subgroups or networks, their representation and engagement is strengthened. The TERG supports the establishment of a technical assistance strategy to provide civil society organizations with technical, managerial, and financial support. Civil society organizations should be supported in the establishment of networks to build institutional capacity and strengthen their engagement in policy setting.

The Global Fund should pursue its pioneering and proactive engagement of civil society through encouraging in-country and regional partners to empower civil society organizations to participate actively in Global Fund processes.

Private sector: Another finding of Study Area 2 is that although the private sector contributes to efforts to control of the three diseases, much of this activity is outside Global Fund grants. In addition, private sector participation in CCMs is minimal. The TERG believes that partnership with the private sector requires significant strengthening and a more consultative approach. Study Area 2 reported that a major impediment to private sector partnership is the inability of the Global Fund to recognize co-investment, pro bono, and in-kind contributions. With respect to the private sector, the TERG concurs with recommendations in the Study Area 2 report that encourage the Global Fund to seek new, more innovative and more consultative ways to work with the private sector such as co-investment and pro bono and in-kind contributions. The TERG notes that the Secretariat has already initiated some innovative partnerships with the private sector.

Reviewing the role of CCMs: The CCM is central to the creation of effective partnerships at country level. The TERG recognizes that during the fast start-up phase of the Global Fund, many CCMs were established quickly, in an ad hoc manner, to meet the requirements of the Global Fund. The TERG recommends that the Global Fund should encourage country-level partners to step back and examine whether CCMs have exploited the full potential of possible organizational structures and processes, while observing the basic principles set by the Global Fund. The TERG recommends that the Global Fund Secretariat encourage the review and adjustment of the roles of CCMs to strengthen their capacity to fulfill their dual functions of managing grant applications and grant oversight. CCMs should be encouraged to establish bi-annual, moderated self-evaluations to ensure that they are adequately meeting country needs and acting as a "country-owned" coordinating mechanism.

The Global Fund Secretariat should encourage countries to review and adjust the roles and functions of CCMs, with the goal of aligning more closely with country needs.

Highlighting gender: Gender was not specifically addressed in Study Area 2; however, the TERG recommends that the Global Fund should integrate and highlight gender issues in the development of its partnership strategies. Technical partners should also be encouraged to support country-level stakeholders in building capacity to address gender issues.

The TERG strongly recommends that the Global Fund Secretariat should integrate and highlight gender issues in the development of its partnership strategies.

4. Grant Oversight Capacity

Study Area 2 found that the Global Fund has made considerable progress in placing grant management and oversight responsibility in the countries' hands, and that the countries realize this. However, Study Area 2 also found that capacity constraints for grant management and oversight interfere with progress in country ownership, and that investment in capacity building is lagging, referring again to tensions among the Global Fund principles, in this case between country ownership and performance accountability. The Study Area 2 report said that overlapping roles for the PRs, Local Fund Agents (LFAs), and CCMs in oversight and coordination are compounded by the lack of a Global Fund presence in country and frequent changes in policy. The report also identified the lack of a clear strategy for capacity building for sustainable grant oversight and management at the country level by either the PR or CCM.

Grant oversight through quality management and audits: In considering grant oversight, Study Area 2 found that implementation of Global Fund grants is solidly in the hands of sub-recipients, who are not explicitly part of the Global Fund's grant oversight structure. Although sub-recipients are key to effective implementation, the CPAs showed no evidence that they were being monitored systematically by either the PR or the LFA. This limited oversight of sub-recipients is not only a risk to grant implementation but also precludes identification of training needs or potential efficiency gains, for example, through pooled procurement. In the 16 CPA countries, many sub-recipients are civil society organizations (40 percent for TB grants, 50 percent for HIV/AIDS grants and 20 percent for malaria grants).

The TERG recommends that the Global Fund work with country-level partners to systematically identify and address additional requirements for achieving adequate oversight at the sub-recipient level and to develop a plan for how quality management by sub-recipients and sub-sub-recipients can be developed. The TERG recommends that the Global Fund should be cautious not to introduce traditional donor control mechanisms and rather introduce country-owned quality assurance mechanisms. Instead of more controls, a culture of self assessment and continuous quality improvement needs to be established by implementing partners. At the same time, such quality management mechanisms should be subject to audit.

The Global Fund should work with countries to establish the highest accounting standards and fiduciary controls. The TERG clearly recognizes that regular audits are required. At the same time, countries should build capacity for auditable systems. To support these initiatives, the TERG recommends that the Global Fund, preferably together with development partners, conduct random performance audits by sub-recipients and sub-sub recipients to build financial management capacity and to discourage fraudulent use of funds.

In efforts to improve grant oversight capacity, the Global Fund should support the introduction of country-owned quality assurance mechanisms.

Streamlining policies and guidelines: As the Global Fund has evolved over the last five years, policies and guidelines for all areas (including grant oversight) have been added and adapted to operationalize diverse aspects of Global Fund processes. This has led to a complex web of interdependent policies which often limit the Global Fund's responsiveness. Given its anticipated growth, the Global Fund Secretariat urgently needs to conduct a step-by-step review of its policies, guidelines and procedures in order to fundamentally streamline and simplify them. TERG recommends a working group be formed with country partners to conduct this review.

The Global Fund Secretariat urgently needs to conduct a step-by-step review of its policies, guidelines and procedures in order to fundamentally streamline and simplify them.

Funding national strategies: Study Area 2 also addressed issues of grant oversight as related to the proposed funding of national strategies. National strategies are the longer-term goal, as they are expected to be a vehicle for accelerating funding, enhancing country ownership and supporting alignment and harmonization. The Study Area 2 report recommended accelerating the implementation of national strategy applications and, in principle, the TERG considers the move to national strategies to be good but that it will need to be considered country by country. In light of the movement towards this new funding strategy, the TERG recommends that the Global Fund Board clearly define circumstances, criteria and the processes under which national strategies can be used for funding decisions by the Global Fund. In general, the TERG advises a gradual approach in implementing a new funding stream for national strategies. As the national strategy approach is related to ongoing donor harmonization initiatives e.g. Sector-Wide Approaches (SWAps) and basket funding, evidence is required that such initiatives do not undermine the principle of performance-based funding. In addition, the TERG is concerned that national strategies might not necessarily be inclusive of civil society organizations and other less prominent nongovernmental organizations.

The TERG recommends that the Global Fund Board clearly define circumstances, criteria and the processes under which national strategies can be funded by the Global Fund, especially ensuring the continued involvement of civil society.

Building data quality: The TERG recommends that country partners, including both development agencies and academic institutions, together with development partners and the Secretariat, should comprehensively address the critical issues of data quality that are relevant to management decisions and impact evaluation at country level. Data quality concerns pose potential threats to the validity and credibility of the Global Fund's performance-based funding model. A review of data quality should include ensuring explicit inclusion of measures for service quality, gender, equity, and Paris Declaration objectives when setting in-country performance indicators and determining funding decision-making processes.

At the country level, efforts should be made to directly invest in relevant systems and surveys that support grant performance assessments. The quality of baseline data needs to be improved as part of a comprehensive and sustainable quality management approach. The methodologies to do this may be informed by the model impact platform being developed in Study Area 3 of the Five-Year Evaluation.

Country partners, together with development partners and the Global Fund Secretariat, should comprehensively address the critical issues of improving data quality.

5. Technical Assistance

Study Area 2 addressed the issue of technical assistance, not differentiating between specific types of technical assistance and the broader issue of technical support. The TERG recommends a move toward the broader concept of technical support.

Developing a strategy for TA: Study Area 2 found that, not withstanding the many examples of successful technical assistance being provided, functional systems to provide such assistance are not yet in place. The TERG recommends that essential arrangements and mechanisms to provide appropriate, adequate, timely, and quality technical assistance to programs and organizations be fully established.

The fundamental issue identified in Study Area 2 was the lack of a well-developed overall partnership strategy defining the roles and responsibilities of partners in identifying technical assistance needs and providing technical support. Another confounding factor is the persistent confusion as to whether or not financial support to the Global Fund precludes the need to provide additional funds to other organizations, such as WHO and UNAIDS, to provide technical assistance to Global Fund grants.

The Global Fund and partners should reassure countries that requests for technical assistance are considered to be a strength of any grant proposal.

Funding technical assistance and building partnerships: The Study Area 2 report from the contractor recommended that, as a priority, the Global Fund Board should restate that it does not directly fund partners to provide technical assistance, and should specify more clearly how and when recipients of Global Fund grants can use funding to support technical assistance provided by partner organizations. The TERG believes that the principle that Global Fund monies are provided directly to country programs should not be diluted. The TERG recommends that the Board of the Global Fund should re-emphasize that it does not directly fund its partners to provide technical assistance and should reinforce its message that countries are encouraged to submit grant proposals with comprehensive budget allocations for technical support.

The Global Fund was designed to empower countries and to overcome the extreme scarcity of resources necessary to implement essential programs. The TERG believes that it is desirable for development partners to realign their programs in such a way that they are supportive of this joint effort. The development of efficient partnership frameworks at all levels is critical and should follow this common vision. In support of this common vision, countries and development partners need to tailor their technical assistance programs to support country needs. Development partners should re-examine the extent to which their existing resources and budgets can be targeted to more efficiently support countries in their implementation of Global Fund programs. The TERG considers that providing technical support to countries in HIV/AIDS, TB, and malaria is part of the core functions of partners such as WHO, UNAIDS, Stop TB, and RBM.

The Global Fund should maintain the essential principle that Global Fund monies be provided to fund country programs.

Creating demand for sustainable technical assistance: The TERG recommends that the TRP review the adequacy of technical assistance plans, including the development of these capacities at the country level. Technical assistance plans should not focus only on the immediate needs to successfully implement grant proposals. Rather, the TERG strongly recommends adopting a longer-term perspective in delivering technical support particularly for human resources capacity building, such as training support with a timeline of five to ten years.

Coordination and management of technical support is a country responsibility and the TERG does not support the recommendation in the Study Area 2 report proposing that each country have a special focal organization to coordinate technical assistance. The TERG advises not to be prescriptive as to how a mechanism for the management of technical support should be developed. The Global Fund and partners should reassure countries that requests for technical assistance are considered to be a strength in any grant proposal.

The TERG recommends that efforts be made by all parties to develop a culture of seeking and using technical assistance. In particular, the Global Fund should encourage countries to seek and provide technical assistance as part of South-South capacity building. Much of the responsibility for identifying and seeking technical assistance lies with the countries, with partner organizations providing relevant support as required.

The TERG strongly recommends that partners should consider a longer-term perspective in delivering technical support, in particular, to support human resource capacity building over a horizon of five to ten years.

6. Health Systems Strengthening

The TERG did not formulate priority recommendations on HSS at this time, with the exception of the area of procurement. The TERG will present detailed recommendations on HSS once the limited findings in the Study Area 2 report are strengthened by more focused findings on HSS as expected from Study Area 3.

Procurement: The TERG notes that the Study Area 2 findings on procurement suggesting that the Global Fund does not follow internationally-accepted standards for procurement were not completely consistent with information received directly from the Secretariat.

The findings in the report may be the result of a discrepancy between the policies of the Global Fund relating to PSM and actual practice. The TERG recommends that the discrepancies between Global Fund procurement policy and practice be urgently investigated and resolved.

7. Determining Grant Performance

Overall, the findings of Study Area 2 are supportive of the performance-based funding model that is a core component of the Global Fund founding principles. Although performance-based funding is not a new approach, the Global Fund has succeeded in applying it on a greater scale than has been done before. The Study Area 2 report from the contractors recommended that the Global Fund should continue to innovate in terms of country ownership and performance-based funding which have emerged as two of its strongest achievements of its first five years of operations. Importantly, the Study Area 2 identified certain weaknesses in the current implementation of this model. It found the performance-based funding system is not yet producing the types and quality of information needed to be most effective. For example, gaps exist in the information available on outcomes, impact, service quality, gender and vulnerable group equity, and target adjustment.

Data content and quality: Data quality from the countries, and within the Secretariat, was of concern. Study Area 2 found that the Global Fund is not focusing on outcome-level data as originally envisaged. There is instead a heavy focus on quantitative activity output which is required to release Phase 2 funding. In addition, CPA respondents repeatedly and consistently stated that trade-offs were made between quality of service provision and reaching quantitative output targets. Clearly, under the current practice of reviewing progress after two years (Phase 2) it is unlikely that impact can be demonstrated; however, the TERG considers that the goal of presenting impact data at the end of five years should be retained.

Target setting: Study Area 2 found that the difficulties in setting appropriate targets often resulted in revision of targets after grant signing, but the contractor was unable to confidently identify the magnitude of the target changes. It appears that difficulties in setting appropriate targets often arise due to poor quality baseline data, a pervasive problem. The contractor found no appreciable statistical association between the Performance Update and Request for Disbursement (PUDR) ratings and objective target achievement at Phase 2.

Performance monitoring: The Study Area 2 report concluded that contextual factors have played an overwhelming role in performance assessment. On a more positive note and as discussed below, the report noted that the Secretariat is well aware of many of these issues and has already responded to some, in particular to address data quality at the country level, to document contextual factors in performance rating decisions, and to improve target setting and readjustment.

The contractor was asked to analyze grant performance in relation to the partnership environment of the Global Fund and to identify likely determinants of good grant performance. The conclusions were weak largely because the quantitative assessments of grant performance were highly dependent on contextual factors, as discussed above, and because the 16 selected countries did not provide sufficient examples of the extremes of poor and good performance. The TERG notes that the performance measurement system of the Global Fund has not so far sufficiently discriminated between strong and weak performance in relation to level of disbursement. The TERG recommends that the Secretariat should make continued improvement of the current performance monitoring system a matter of first priority, based on a systematic and quality-assured approach to performance ratings and disbursements. Positive incentives for performance should be more explicitly incorporated into the performance-based funding system.

The TERG recommends that the Secretariat should make the continued improvement of the current performance monitoring system a matter of highest priority.

M&E systems: The TERG strongly recommends that performance measurement be an integral part of country surveillance and M&E systems. The TERG urges internationally-mandated technical partners to work with country counterparts to strengthen country surveillance and M&E systems, taking into account the needs of performance-based funding.

The TERG urges internationally-mandated technical partners to work with country counterparts to strengthen country surveillance and M&E systems, taking into account the needs of performance-based funding.

VI. CONCLUSION

The TERG accepts the Study Area 2 report but notes gaps or weaknesses that will need to be addressed by the contractor. It is expected that the Study Area 3 report and the Synthesis Report will provide some additional information on issues such as gender and health system strengthening.

The TERG notes and welcomes that several of the recommendations addressed to the new Partnership Cluster are already being implemented with a partnership strategy document being developed, in consultation with partners, for presentation to the Board in April 2009. The TERG recommends that the Partnership Cluster consider carrying out joint review missions in-country in collaboration with multilateral and bilateral partner organizations. These missions could be used as a joint learning experience to improve the Global Fund Partnership.

Of the 16 countries evaluated in-depth in Study Area 2, ten are also being analyzed as part of Study Area 3. The TERG looks forward to receiving the Study Area 3 report and the Synthesis Report for the Five-Year Evaluation that should link some of the findings on partnership (Study Area 2) to the impact on the three diseases in-country (Study Area 3).

LIST OF TERMS & ABBREVIATIONS USED

CCM	Country Coordinating Mechanism
CPA	Country Partnership Assessment
ECAS	East, Central, and Southern African Health Community
ECOWAS	Economic Community of West African States
HSS	Health System Strengthening
LFA	Local Fund Agent
M&E	Monitoring and Evaluation
PR	Principal Recipient
PSM	Procurement and Supply Management
PUDR	Performance Update and Request for Disbursement
RBM	Roll Back Malaria Partnership
SADC	Southern African Development Community
SWAp	Sector-Wide Approach
TB	Tuberculosis
TERG	Technical Evaluation Reference Group
TRP	Technical Review Panel
UNAIDS	Joint United Nations Programmme on HIV/AIDS
WHO	World Health Organization

ANNEX A – LIST OF TERG MEMBERS

TERG Members 2007-2008

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ANNEX B – TERG ASSESSMENT OF THE CONTRACTOR'S KEY RECOMMENDATIONS IN THE STUDY AREA 2 REPORT

Contractor's recommendations	TERG assessment	TERG comments
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 financing, policy, or development entity.	**Modified/redirected**	The TERG thinks that Global Fund should remain true to its mandate as a financing entity, with the awareness that its scale and scope influence both policy and development issues.
2. The Global Fund Board should seek to open "governing body to governing body" discussions aimed at leading to direct negotiations of a Global Partnership Framework.	**Agreed/clarified**	
3. Development partners should strengthen their bilateral engagements with the Global Fund.	**Agreed/clarified**	
4. The Global Fund should continue to play a leadership role in supporting the engagement of Civil Society	**Agreed/clarified**	
5. The Secretariat should review the roles and functions of the CCMs.	**Modified/redirected**	Countries should be encouraged to take responsibility for this review.
6. The Global Fund should significantly expand and strengthen its engagement with the private sector	**Agreed/clarified**	
7. The Secretariat should review and enhance its Operational Guidelines, with the objective of contributing to a partnership strategy that supports the partnership framework initiative of the Board.	**Agreed/clarified**	
8. The Global Fund should accelerate its actions to implement the policy to fund national strategies (approved in April 2007).	**Modified/redirected**	In this process, the Board should clearly define circumstances, criteria and the processes under which national strategies can be funded by the Global Fund, especially to ensure the continued involvement of civil society.
9. The Global Fund should seek ways to resolve the current high level of ambiguity and inconsistency in assigning responsibilities for oversight for performance, provision of technical assistance and capacity-building at the country-level.		
10. The Secretariat should systematically identify and address additional requirements for achieving adequate oversight at the sub-recipient level	**Modified/redirected**	In its effort to improve grant oversight capacity, the Global Fund should support the introduction of country-owned quality assurance mechanisms.
11. The Secretariat should comprehensively address the critical issues of data quality that are potential threats to the validity and credibility of the Global Fund's performance-based funding model and internal monitoring.	**Modified/redirected**	This effort should be conducted together with country and development partners.

Contractor's recommendations	TERG assessment	TERG comments
12. The Secretariat should urgently develop and disseminate a much stronger, coherent, Global Fund-wide communications strategy for work with in-country partners	**Modified/redirected**	In addition, the TERG considers that Global Fund staff should act as "ambassadors" of these principles and should receive training and adequate support to be able to provide clear, consistent, reliable information on Global Fund policies, in particular to those partners working at country level.
13. The Board of the Global Fund should clarify, as a matter of highest priority, that it does not, at this time, directly fund its partners to provide technical assistance.	**Modified/redirected**	The TERG thinks that The Global Fund should maintain the essential principle that Global Fund monies are provided to fund country programs.
14. The Policy and Strategy Committee and the Secretariat should urgently clarify to countries the full spectrum of Global Fund operations, policies and procedures relating to accessing and spending grant technical support budgets.	**Modified/redirected**	TERG emphasizes that the Global Fund and partners should reassure countries that requests for technical assistance are considered to be a strength of any grant proposal.
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.	**Disagreed**	The TERG thinks that this is would probably not be an effective solution and that it will create another artificial body not aligned nor sustainable.
16. The new Partnerships Cluster should lead a thorough examination of all aspects of partnerships as these relate to technical and grant implementation support.	**Agreed/clarified**	
17. The partners in the global health architecture should clarify together, as a matter of urgency, an operational global division of labor regarding the financing of and technical support to health systems strengthening.	**Agreed/clarified**	
18. 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.	**Agreed/clarified**	
19. At the Secretariat level, the PR capacity assessment processes should be further developed with particular attention to enabling the Secretariat to undertake proactive risk assessment and risk management.	**Agreed/clarified**	
20. The Global Fund Secretariat should develop and articulate a strategy that allows for a menu of investment approaches to increase the probability that grants will perform well, for example, investing in long-term capacity building, investing in building management capacity, or ensuring alignment and harmonization.	**Agreed/clarified**	

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