



**MONITORING AND EVALUATION OPERATIONS PLAN FOR THE
GLOBAL FUND 2004
February 2004**

A. Introduction

The Monitoring and Evaluation Strategy presents an overall framework for the Fund's M&E work and calls for an operational plan that integrates monitoring and evaluation at program, disease and Fund level. It attempts to build in Fund principles, for example additionality, in monitoring of activities and in how M&E itself works with other partners, and includes:

- (a) Prioritization and implementation of evaluations of key performance areas for the Fund - including scope and timing of specific evaluation studies to be conducted by external evaluators and in collaboration with key partners.
- (b) Operational details for M&E at the program level - including a description of the Secretariat's review process for periodic Disbursement Reports and Progress Updates, Fiscal Years Progress reports and Requests for Continued Funding. This will focus on the methods envisioned and criteria for determining assessment of data quality, provision of feedback to grantees and ongoing funding of grants.
- (c) Guidance on the selection of indicators for grantees, with particular attention to harmonizing with ongoing global initiatives and building on available tools.
- (d) Indicators for performance monitoring for the Fund as an organisation. Indicators, timelines and targets will be specified for the Fund's overall performance against its goals and principles as well as for the responsibilities of its different executing parties, including the Fund's Secretariat.
- (e) Incorporating fund principles, for example additionality, into the monitoring and evaluation of its activities, its impact, and relations with partners

A tabular version of the operational M&E plan with detailed objectives, deliverables, time frames and budgets has been developed and is attached. To operationalize the Global Fund's M&E strategy, the M&E plan follows a functional approach, as many of the specific functions and products cut

across the different levels described in the strategy. The key objectives and sub objectives of the plan are:

1. *Build M&E Capacity and Competence in the Secretariat and Global Fund System:*
 - Build capacity and competence of the Strategic Information and Measurement (SIM) Team
 - Support Portfolio Teams in Implementing the Performance Based Funding System
 - Support Programme Level M&E – Link Performance with Disease Impact
2. *Ensure Independence and Soundness of Approaches – Technical Evaluation Reference Group (TERG)*
3. *Establish the Information Platform of the Global Fund*
4. *Address Key Evaluation Questions:*
 - Assess the Organizational Architecture of the Global Fund
 - Assess Strategies, Approaches and Results
 - Assess broader evaluation questions including the Global Fund's potential effects in disease control and mitigation activities in promoting development
5. *Monitor Global Fund Performance as an Organisation*

Guiding Principles for the Development of the M&E Plan

- The operational plan serves as the guiding document and work plan for the Strategic Information and Measurement Unit (SIM). It describes how the Global Fund intends to operationalize its M&E strategy across its key functional areas. Furthermore, it seeks to define clear, realistic priorities and activities to be carried out with available human and financial resources. It is organized around functional monitoring and evaluation tasks, making a distinction between programme, country and global level M&E.
- The Global Fund's M&E strategy builds on existing programme, country and global level capacity, and will wherever possible utilise available tools, systems and expertise at country level and among global partners. Activities in the work plan will also be carried out in close collaboration and consultation with relevant stakeholders.
- The M&E strategy makes a distinction between monitoring and evaluation. The definition of indicators, baselines and targets, and the measurement of activities and immediate results (monitoring) will build on and utilize existing systems established for monitoring of HIV/AIDS, malaria and tuberculosis. The Global Fund needs to access and systematize such data and information for its own internal use and will only strengthen data collection systems if required. In that sense, the Global Fund is primarily a user of monitoring information. In addition to data collection systems, the Fund will strongly support countries and partners to ensure that information collected is analyzed and used routinely for programme adjustments and planning, and is of adequate quality for these purposes.

- In the area of evaluation, the M&E strategy specifies the requirements for programme and country level evaluations, which should be addressed by country partners. However, critical information needs, which are not currently being addressed, will be supported by the Fund, as feasible per resource levels, in coordination with other partners. There are, however, a number of evaluation questions which are crucial and unique in the assessment of Global Fund policies, tools and approaches - questions about their relevance, effectiveness and sustainability at global and country level (the organisational architecture, principles of performance based funding, additionality, national ownership, system wide effects, etc.). The MEFA Committee is charged with identifying these critical evaluation needs, supporting at least one external evaluation per year. The Strategic Information and Measurement Unit has a special responsibility for preparing, initiating and coordinating studies and evaluations of strategic questions for the Fund. The implementation of evaluation studies generally will be through external partners and/or in collaboration with relevant stakeholders. Resources of the Global Fund will be catalytic in nature and co-funding will be sought from other sources in many cases.

- The current plan covers a two year period with more specific activities for the first year and indicative activities for the second year. A precondition for successful and implementation of the plan (and effective measurement processes) is to establish an effective Unit – recruit and introduce a sufficient number of qualified staff and consultants to organize and carry out the work. It also requires the establishment and strengthening of working relations with other evaluation and monitoring organisations.

- Top priorities in 2004 will include:
 - To review and consolidate the internal monitoring systems – the flow of data and information between the various functional entities of the Fund (including PRs, LFAs, CCMs and the Fund Secretariat) and develop or adapt transparent systems for effective management and utilization of information (MIS).
 - To establish a systematic approach with well-defined criteria, roles and responsibilities of pertinent actors for the review of grant performance through periodic Disbursement Reports and Progress Updates, prior to the end of the first two-year funding period.
 - To define the disbursement criteria for the Requests for Continued Funding, which will soon begin to be processed, and any other elements of the system through which these requests will be processed.
 - Building on existing efforts and together with relevant partners, to finalize an M&E toolkit including reference to key indicators, data quality assurance and measurement tools at process, coverage and impact levels.
 - To finalize TOR for the Technical Evaluation Reference Group (TERG), select members and have the TERG fully functional.

- A number of important evaluation studies will also be carried out during the year and others identified for later implementation. Since some of the activities in the plan last for more than one year and others are ongoing, the M&E strategy and work plan requires a multi-year approach.
- There are an increasing number of studies initiated by Global Fund stakeholders (donors, NGOs, etc.) which provide useful information and complement the M&E work initiated and carried out by the Global Fund. The Global Fund has not always been able to include its own concerns and questions in such studies. MEFA has been tasked to define and coordinate mechanisms through which topics for new studies are reviewed and collaborative consultations take place to define the contents of these. SIM will support MEFA in this function and will work closely with and seek necessary and appropriate support from stakeholders when planning evaluations of relevance to the Global Fund.

The following section presents and explains briefly the main components of the plan.

B. Main Components of the M&E Operational Plan

1. Building Capacity and Competence in M&E within the Secretariat and the Global Fund System

An immediate priority is to build the **capacity and competence of the SIM team** as the core M&E competence of the Fund. Terms of reference covering an appropriate mix of skills have been developed, with a total of three fixed term staff members in addition to the Director. The positions include an M&E manager (recruited), an M&E specialist, and a Knowledge Management Specialist. Short-term staff will be hired as and when certain tasks require additional capacity and resources, including for data entry, management and analysis. For the Global Fund to fully develop and support the various M&E functions and products, it is also planned to develop a small network of experienced consultants with appropriate experience and language skills. They will supplement in a flexible way the capacity of the Unit.

It will also be critical to **support M&E skills and capacity of other units of the Fund** to fully capacitate the Fund Secretariat to implement the M&E strategy at all stages of the portfolio process. The SIM unit will work closely with and will advise other units of the Global Fund, in particular the portfolio managers, on M&E issues related to performance based funding decisions, including the development of appropriate tools and criteria. The M&E unit will provide resources for such activities throughout the Fund units.

In collaboration with main international and national partners, the Global Fund will also **support programme level M&E efforts** through catalysing and coordinating technical support through a partner network (including WHO, UNAIDS, Bilaterals, Health Metrics Network, GAMET, and others), as well as the documentation and dissemination of Global Fund M&E best practices. SIM will also work closely with its partners to ensure access to existing country level information and databases.

The development of an M&E toolkit addressing monitoring and evaluation frameworks and consolidated lists of key indicators, as well as tools for the collection of these indicators, is already well underway in partnership with WHO, UNAIDS, The World Bank and bilateral partners. This toolkit will be an essential component for harmonized support to monitoring progress at programme and country level. It will, to the degree possible, build on existing tools, while the effort is also identifying any gaps, to be filled during the next year. The toolkit will be an essential component of the guidelines for Round 4 proposals.

2. Strengthen the Independence and Soundness of Approaches

To strengthen the independence of the Fund's M&E work and the soundness of the approaches, the Board has decided to establish a Technical Evaluation

Reference Group (TERG). Draft Terms of Reference (TOR) for the TERG are attached. The TERG shall provide independent assessment and advice to the Board of The Global Fund through its MEFA Committee, and to the Global Fund Secretariat, on technical and managerial aspects of monitoring and evaluation. Specifically, the TERG shall provide input and conduct regular reviews of progress towards the implementation and refinement of the M&E Strategy of the Global Fund. It will also provide a link to broader international discussion of monitoring and evaluation of HIV/AIDS, TB and Malaria. This includes reviewing monitoring and evaluation activities in relation to:

- Programme level: performance based funding.
- Country level: linking performance with disease impact, including the principle of additionality and the performance of the portfolio architecture of the Fund.
- Global level: added value of the Global Fund, including monitoring of key performance indicators for the grant portfolio and the organization's administrative performance, harmonisation with existing M&E systems and positive or negative health-system wide effects, if any are identified.

SIM will serve as the secretariat to the TERG, in particular with regards to the arrangements for TERG meetings, sending of invitations and providing logistical support. The Global Fund Secretariat will be assisted by an external institution to support specific functions of the TERG, such as the creation and servicing of electronic discussion groups and the preparation of analytical reviews of existing studies and work to facilitate TERG discussions. The supporting institution will be selected through an independent search and assessment based on expertise, logistical and cost considerations

3. Establish the Information Platform of the Fund

There is a need to develop an information system for the Global Fund to transparently support proposal and grant related processes, as well as to provide a platform to compile, analyse and disseminate relevant information, monitoring progress at all levels using key performance indicators. The basic monitoring framework has been defined, and the work towards an integrated information system will build on and drive the further development of key performance indicators and related tools (which are described in a different section of this plan). This work will include the following activities:

- (a) Review and consolidate the process, coverage and impact indicators suggested for the three diseases together with, and building on, work done by development partners (e.g. WHO, UNAIDS, international initiatives such as Roll Back Malaria and StopTB, bilaterals).
- (b) Review and revise country programme guidelines for monitoring processes (M&E toolkit).
- (c) Develop indicators to measure the performance of the Fund at Global level, including portfolio and organizational performance.

- (d) Develop indicators to measure processes and performance areas of special interest to the Fund, such as additionality and sustainability.

The development of the information system is well under way. This system will, in its first phase, support the proposal and grant agreement processes including key objectives, baselines, targets and indicators to monitor progress (target: phase one to be launched together with Round 4, January 2004). Further work will be undertaken by SIM in collaboration with other units in the Secretariat to build additional modules of the system to ensure the phased inclusion of the different aspects of monitoring at programme, country and global levels, and to develop procedures for validation and quality assurance of data and information.

The Global Fund will also develop mechanisms and provide resources, through grant proposals and coordination with host countries' and other donors' efforts, to ensure utilization of information collected and disseminated through the information system. Such mechanisms may include meetings at all levels to analyze information and make needed programme adjustments, and to follow up systematically on earlier recommendations, using participative and dynamic methodologies for information analysis and action planning.

4. Address Key Evaluation Questions

The M&E strategy lists a number of evaluation questions and thematic areas which should be assessed. The following presents evaluation priorities for 2004 and some already identified priorities for 2005 and 2006. It also describes briefly processes for preparing and implementing such evaluations.

(a) Assessing the Organisational Architecture of the Global Fund

The Fund was established with a new and innovative organisational architecture – with CCMs, LFAs and PRs at country level. There is a need at this early stage to assess the relevance, efficiency and effectiveness of the new structures in order to suggest and introduce changes and improvements, and to strengthen these country processes.

- *Studies of CCMs* have already been completed and others are ongoing with support from external partners (primarily with a focus on inclusion and participation of stakeholders, like civil society, private sector, people living with AIDS, etc.). The M&E unit will undertake a review of all such studies in order to identify areas of further work for a comprehensive assessment of CCMs. Additional work will strengthen and utilise ongoing work, as and when appropriate.
- A review of the effectiveness of *the arrangement with Local Fund Agents* (LFA) will be prepared and carried out in 2004. The LFA component is among the most innovative features of the organizational architecture in the Fund and needs special attention. LFAs represent

and carry out defined tasks on behalf of the Global Fund at country level and were selected through an international tender. The LFA system is supported by the operational budget of the Global Fund and currently requires roughly half of the budget. There is a need to assess how well the LFA system is functioning and whether it addresses the multiple needs of the Fund in an effective manner, including cost effectiveness. There is also a need to assess to what extent the roles and functions of LFAs are clearly defined and supported within the broader Fund organization, in particular through guidance from the Fund Secretariat. Terms of reference for such an evaluation will be prepared in early 2004, and the evaluation will be carried out through a desk review, a user survey (among Portfolio Managers, CCMs, etc.) and case studies in selected countries.

- An evaluation of *the Fund's governance structure* will be prepared in 2005.

(b) Assessing Strategies, Approaches and Results

- *Assessing the Performance Based Funding System*
Performance based funding is vital for the Global Fund and requires effective systems and procedures for measuring performance. An assessment should analyse and discuss to what extent the system is clearly defined, operationalized, and used according to intentions. What are country experiences? Is there capacity to collect, analyse and use quality information in a timely fashion? Can data be used to assess outcomes and measure performance of Global Fund interventions (issues of attribution)?
Terms of reference for such an evaluation will be prepared in 2004.
- *Ex Post Reviews of Country Performance* prior to the end of the first two-year funding period should be carried out. There are so far no clear criteria or agreements on systems for carrying out these reviews. Relevant countries would need to be informed soon about the criteria on which their performance will be assessed and future funding decided. These criteria should also be included in the Round Four documentation.

The Strategic Information and Measurement Unit will assist in the preparation of systems and procedures for the review process, which may also include responsibilities to carry out or coordinate a systematic and independent assessment of the group of grants for which performance and decisions about future funding are uncertain – and would need to be informed and assisted by an independent review.¹

¹ The assumption is that the review will be based primarily on existing sources of information which might be sufficient to assess most countries (the clear yes and no countries), while a special assessment is required for the group in the middle.

(c) Assessing Broader Evaluation Questions Addressing the Global Fund as a Resource for Development

○ *Assessing Additionality*

According to its policy, the Global Fund will only finance programmes when it is assured that its assistance does not replace or reduce other sources of funding, i.e. the Fund will only provide additional resources. The fungibility of foreign aid has been a source of controversy for a long time – in particular for donors seeking to support specific development goals and make sure that their funds do not displace existing expenditure. There are also conceptual and practical problems in defining and measuring programmatic and financial additionality. These are new challenges which the Global Fund needs to address, which may contribute more widely to monitoring and evaluation.

An evaluation should analyse and discuss how the principle of additionality is defined, measured, and accomplished by the Fund in countries. Issues may include (a) the measurement of resource flows to health from national budgets (e.g. through national health accounts), directly from global partners, and/or a combination of these, and (b) to what extent funding has been in line with the principle of increasing overall investments in health.

Before an evaluation is carried out, a framework and criteria for analysing and measuring additionality will be prepared and discussed, followed by the development of terms of reference for the study. It is proposed to establish a task group under the oversight of the TERG, including additional experts from countries, multi- and bilateral organizations, and research institutions, to take this work forward in 2004.

○ *Assessing Health System-wide Effects of the Global Fund*

A Research Protocol has been developed by the Research Network on System Wide Effects of the Global Fund (SWEF, November 2003) to document and assess the health systems effects of Global Fund Grants in seven countries with the possibility of three additional ones. SIM will review the proposal from a Global Fund perspective to make sure that the study benefits countries and the Secretariat. SIM will work closely with the study group to ensure that the objectives and the products of the study will fit synergistically with activities proposed in the Fund's M&E plan, including relevant work of partners such as WHO. SWEF also seeks to establish an international advisory board. SIM will coordinate with MEFA and SWEF to what extent the TERG, or members of the TERG, could serve on such a body. Additional evaluation questions may come up and will be considered, such Global Fund versus SWAP or basket funding, poverty reduction strategies, harmonization processes at country level within health sector reform processes or sector wide coordination through national AIDS councils.

- *Assessing Sustainability*
It is the policy of the Fund to promote the sustainability of its investments. While it is premature to assess results, in terms of achieved institutional and financial sustainability, it is timely to monitor factors and processes contributing to sustainability and begin analysing the likelihood for sustaining Global Fund benefits beyond the funding period.

The first step of the assessment will be to prepare a framework and criteria for analyzing sustainability, building on a review of existing sustainability analysis models. This will be discussed with relevant stakeholders before terms of reference for an evaluation are prepared. It is proposed to establish a task group under the oversight of the TERG, including additional experts from countries, multi- and bilateral organizations and research institutions, to take this work forward in 2005. The evaluation is scheduled for 2006.

- *Studying Effects of Services on Poor and Vulnerable Groups, including People Living with the Diseases*
Global Fund investments are expected to reach poor and vulnerable groups and the actual distribution of benefits from grants needs to be assessed. Demonstrating that grants reach poor and vulnerable groups, including funding for scaling up capacity and strengthening systems, which support these populations in the periphery, requires longitudinal data according to socio-economic status. Such studies are long-term and should be properly prepared. SIM will in 2004 develop a framework and plan for how to carry out such benefit incidence studies, after first analyzing existing models for such research. It is proposed to establish a task group under the oversight of the TERG, including additional experts from countries, multi- and bilateral organizations and research institutions, to take this work forward in 2005 and 2006.

5. Assessing Performance of the Secretariat

The Strategic Information and Measurement Unit will, in 2004, prepare the tools and systems for assessing performance of the Secretariat, in collaboration with the key functional leadership of the Secretariat. Performance indicators will be developed based on key functions and processes fulfilled by the Secretariat and data supportive of this process will be incorporated into a Secretariat management information system (part of information platform, described above). The following illustrate indicator categories for different key functions of the Secretariat and serve as a basis for finalizing work in this area:

(a) Resource Mobilization

- Annual funding targets versus pledges versus contributions
- Timeliness of pledge conversions to contributions

- Donor diversity measured by percentage of public vs. private sector funds
- Duration of donor commitments (e.g. single vs. multi-year)

(b) Portfolio Management

- Proposal approval rates and timeliness
- Appeal approval rates
- Time elapsed from proposal approval to grant agreement
- Grant distributions (e.g. by disease, geographic area, need or income level, expenditure target (e.g. drugs/commodities, human resources, physical infrastructure), recipient sectors)
- Disbursement rates and timeliness (e.g. percentage of disbursements vs. grant commitments, time from disbursement request to approval, time from disbursement receipt to funds use by programs)
- Grant renewal rates and timeliness
- Grant fund usage rates (e.g. percentage of funds used at end of grant period)

(d) Administrative Effectiveness

- Unqualified audits of financial statements
- Cost of Secretariat and LFAs as a percentage of grant commitments and disbursements per grant
- Trustee investment return and coverage of administrative expenses
- Compliance with key processes (e.g. grant agreement signing and disbursement authorizations, HR recruitment, performance management and development)
- Compliance with policies (e.g. procurement, conflict of interest)

6. Financial Resource Requirements

The operational M&E plan is, and must be, ambitious and multifaceted. It requires the support of appropriate human and financial resources. Staffing requirements are specified earlier. A small and efficient SIM team is a first condition for successful implementation of the plan. There is also a need for financial support of its operational activities, supplementary support from a network of consultants and for commissioning studies and evaluations. As mentioned above, the implementation of evaluation studies will generally be through external partners and/or in collaboration with relevant stakeholders. Resources of the Global Fund will be catalytic in nature and co-funding will be sought from other sources in many cases.