



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

The Global Fund



Year Evaluation

The Global Fund Five-Year Evaluation

**Organizational Efficiency and Effectiveness
of the Global Fund
Study Area 1**

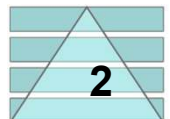
**Prof Rolf Korte, Chair TERG
Prof Rose Leke, Vice Chair TERG**

*Sixteenth Board Meeting
Kunming, China, November 2007*

Contents

Update on Five-Year Evaluation Results

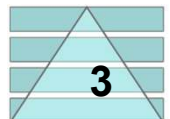
- 1. Introduction**
- 2. Key Findings & Recommendations: Study Area 1**
- 3. Progress on Study Areas 2 and 3**



Five-Year Evaluation: Key findings to date

The Evaluation finds:

- An organization that has made **rapid and inspiring achievements** and has learned and adapted rapidly
- **Critical challenges** that the Global Fund needs to meet new responsibilities for its next stage of growth
- **Governance and management systems** and processes now in place **will not meet the needs** of an expanded Global Fund



Five-Year Evaluation Framework

Focus on three overarching questions:

Study Area 1:

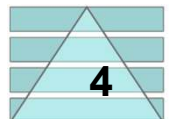
- **Organizational efficiency and effectiveness of the Global Fund**

Study Area 2:

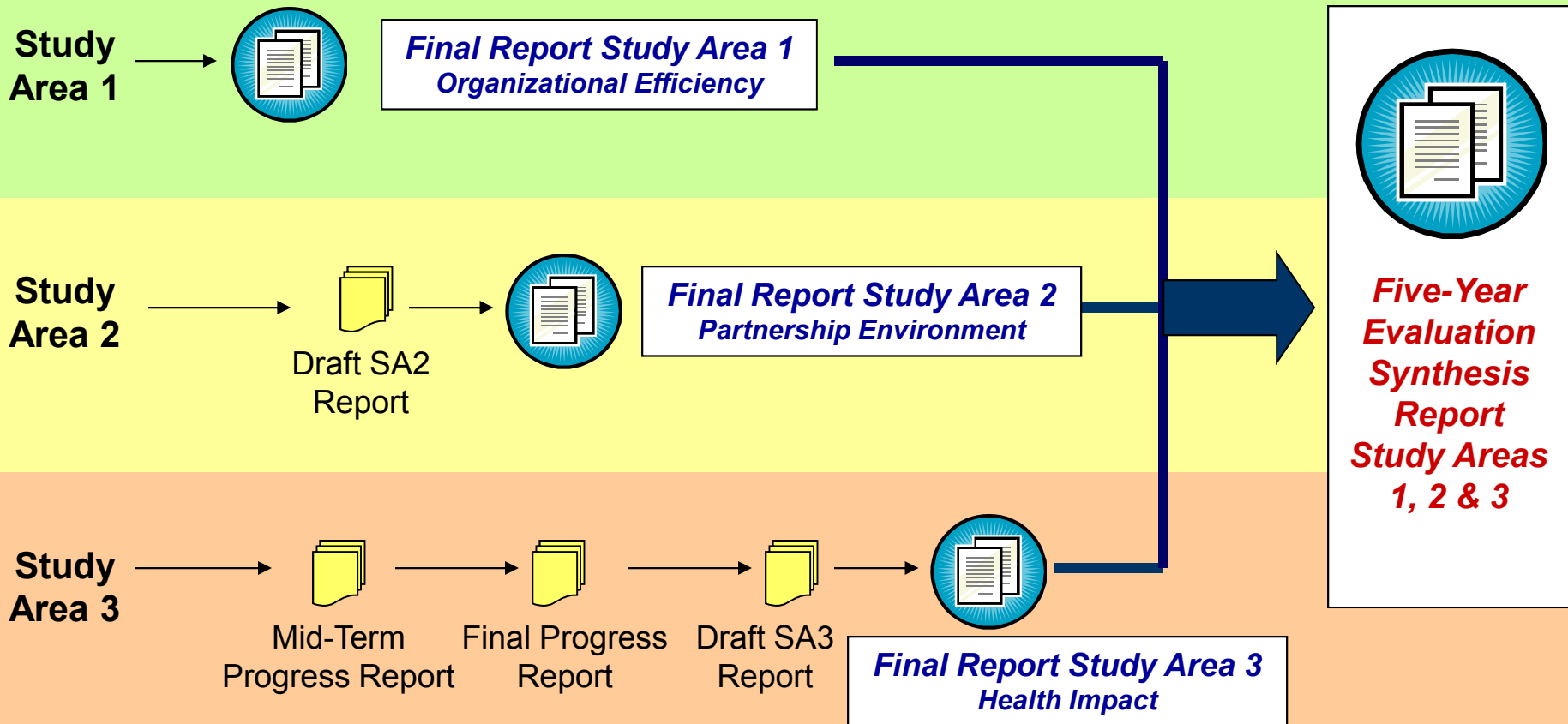
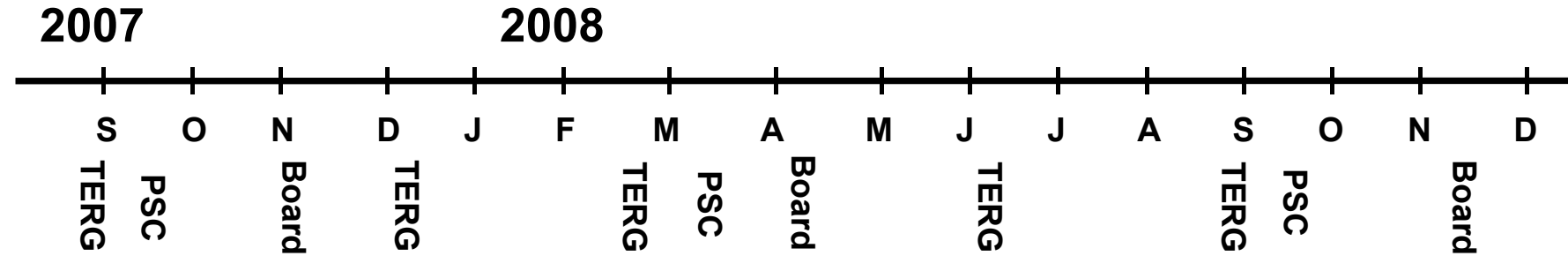
- **Global Fund partnership environment and grant performance**

Study Area 3:

- **Impact of collective efforts on reduction in disease burden**



Five-Year Evaluation Timeline & Deliverables



Contents

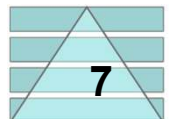
Update on Five-Year Evaluation Results

1. Introduction
2. Key Findings & Recommendations: Study Area 1
3. Progress on Study Areas 2 and 3

Study Area 1 Methodology

- **Builds on all previous TERG evaluations**
- **Approach and methods used:**
 - Analysis of Board governance
 - Organizational development assessment
- **Limitations of study:**
 - Tight timelines of the study
 - Continuously-evolving organization
 - Areas TERG requests improvements in the final synthesis report: Benchmarking, Quality Management recommendations, greater detail on gender (and to include gender prominently in Study Areas 2 and 3)

‘Notwithstanding the limitations outlined, the TERG finds the evaluation both valid and credible’



Study Area 1 Recommendations

Recommendations in these areas:

1. **Strategy**
2. **Partnership**
3. **Governance**
4. **Organizational Structure**
5. **Processes and Grant Management**
6. **Mission-critical Systems**

1. Strategy: focusing the principles towards an explicit business plan

Finding:

The founding principles remain valid. However they need to be organised into a logical framework to guide its business plan. This needs to more clearly define to countries, partners and staff how the Global Fund acts in different situations.

Recommendations:

- Set priorities and articulate the boundaries of the Global Fund principles and based on this develop a business plan of priorities, actions, roles, communications, resourcing
- Include in the **business plan**:
 - **Differentiated approaches to countries** based on epidemiology and country capacity
 - Establish standards of minimum **effort to countries with low capacity** and high disease burden and stating how **technical assistance** will be resourced

2. Partnerships: core of the Global Fund strategy

Findings: Lack of explicit partnership strategy

- The Global Fund has conformed to its original principles, in particular
 - Acting as a financial institution, respecting country ownership
 - Catalyzing the inclusion of civil society, affected communities, and the private sector
- However, it lacks a clear strategy articulating Partner roles, including for Technical Assistance

Recommendation:

- Through a joint, transparent and participatory process, the Global Fund should **together with partners clearly articulate roles and responsibilities**
- Additional recommendations will be included after the findings of Study Area 2, but this should not delay the implementation of a clear partnership strategy

3. Governance: focus on strategic issues

Findings: Board overburdened with operational issues

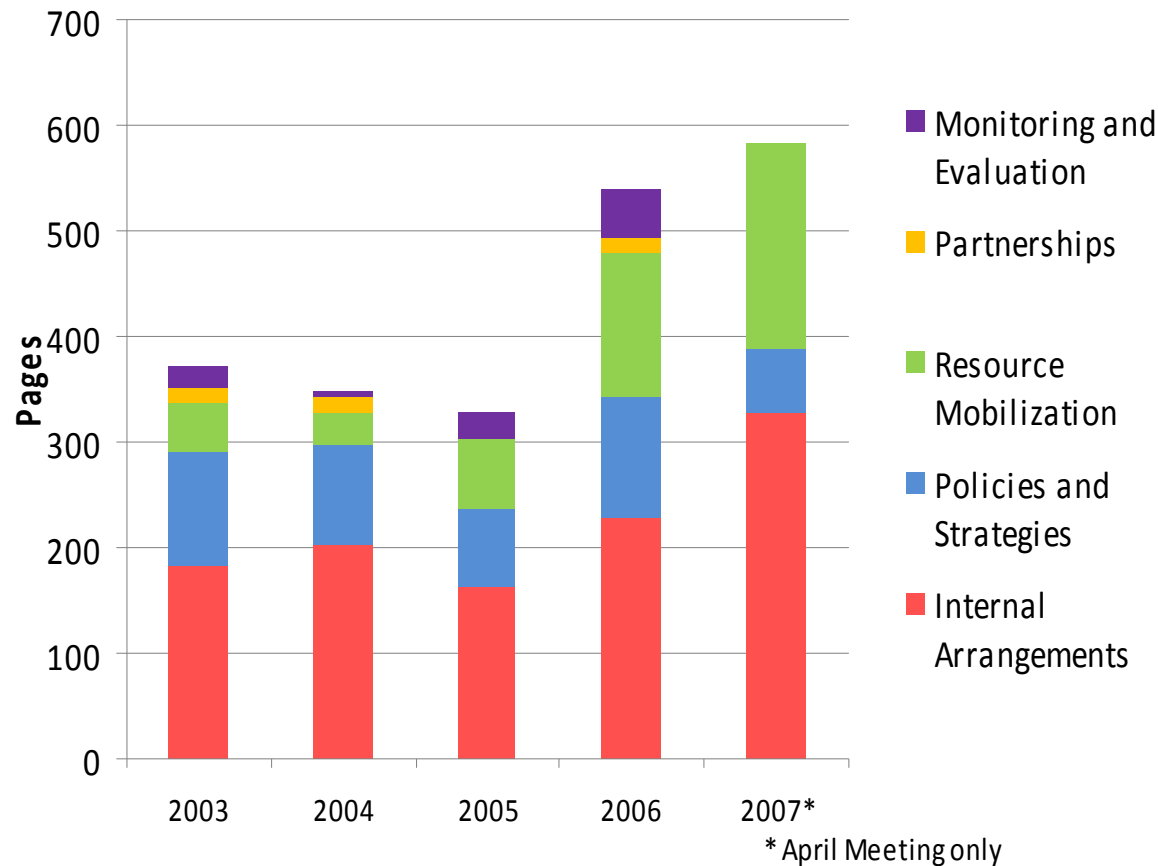
- Broad participation and genuine power-sharing within Board
- Heavy focus on organizational issues, less attention on key strategies

Recommendations:

- Board to focus more on **strategic issues**, delegating operational issues to its Committees and the Secretariat
- The Board should define precisely the **assistance that could be provided to resource-constrained constituencies** with a large membership, including civil society and communities

Board overburdened & distracted from strategic concerns

Figure 2: Average Number of Pages of Documentation to Process per Board Meeting



Board Topics	Total
Partnerships	4%
Monitoring & Evaluation	2%
Resource Mobilization	7%
Internal Arrangements	33%
Policies & Strategies for Grant Management	54%

3. Governance: focus on strategic issues

Findings: Board overburdened with operational issues

- Broad participation and genuine power-sharing within Board
- Heavy focus on organizational issues, less attention on key strategies

Recommendations:

- Board to focus more on **strategic issues**, delegating operational issues to its Committees and the Secretariat
- The Board should define precisely the **assistance that could be provided to resource-constrained constituencies** with a large membership, including civil society and communities

4. Organizational Structure: need for medium-term HR plan

Findings: Lack of a medium-term HR plan

- Fear of being a huge bureaucracy overplayed
- Based on funds disbursed per staff, the Global Fund is efficient

Recommendations:

- Based on growth projections, the Board should set **new budgetary ceilings** for the Secretariat and allow the ED to staff within those ceilings based on functional needs and skills required
- A **medium-term human resources plan** should be established

5. Organizational Processes: simplify and innovate

Findings: Simplification of processes needed

- Rapid start-up and efforts to adapt quickly have resulted in complex and at times overlapping processes
- Current processes can not be scaled-up to meet the expected disbursement requirements

Recommendations:

- **Simplify the grant process** for review and disbursement
 - Commit funds for longer periods and encourage the continuous internal improvement of key processes
- **Innovate with Performance-Based Funding**
 - To extend the duration and increase funding for good performing programs without going through the TRP unless significant changes in goals

5. Organizational Processes: simplify and innovate

Findings: Simplification of processes needed

- Rapid start-up and efforts to adapt quickly have resulted in complex and at times overlapping processes
- Current processes can not be scaled-up to meet the expected disbursement requirements

Recommendations:

- **Simplify the grant process** for review and disbursement
 - Commit funds for longer periods and encourage the continuous internal improvement of key processes
- **Innovate with Performance-Based Funding**
 - To extend the duration and increase funding for good performing programs without going through the TRP unless significant changes in goals

6. Mission critical systems: need to invest and innovate

- **Findings: Critical areas of weakness need to be addressed to support an expanded Global Fund**
- **Recommendations**
 - The Global Fund should continue to **strengthen its financial tracking** to include monitoring expenditures at the SR level, either by the PR or with additional safeguards
 - The **Procurement** unit in the Global Fund should be strengthened and work with partners to assist countries
 - The **critical need** for a responsive, flexible and forward-thinking overall **Information Systems Strategy**. The new Grant Management System (GMS core) approach should be strongly supported
 - **Resource mobilization:** stimulate countries that have not yet contributed and engage **Private Sector** more actively

TERG Priority Recommendations

The TERG recommends the Global Fund Board and Secretariat give urgent consideration to the evaluation findings and priority recommendations

1. **Strategy:** focusing the principles towards an explicit business plan
2. **Partnerships:** Define roles and responsibilities of Partners
3. **Governance:** Streamline, delegate operational issues
4. **Organization:** Develop a medium-term human resources plan
5. **Processes:** Simplify grant management processes and innovate
 - **Simplify the process for grant review and disbursement**
 - **Innovate with performance based funding**
6. **Mission-critical systems:** Invest and innovate

Contents

Update on Five-Year Evaluation Results

1. Introduction
2. Key Findings & Recommendations: Study Area 1
3. Progress on Study Areas 2 and 3

Study Areas 2 and 3: Progress on track

Study Area 2: Assessment of Global Fund partnership environment and performance

- **On track:** Data collection in 16 countries near completion
- **Deliverable:** TERG report to April 2008 Board

Study Area 3: Combined impact of all partners on reduction of the burden of the three diseases

- **On track:** Data collection in 20 countries based on country plans
- **Deliverable:** TERG final synthesis report to Nov. 2008 Board

Five-Year Evaluation: The Way Forward

Evaluation On Track:

- Final report on Study Area 2 to Board in April 2008
- Final synthesis report to Board in November 2008
- TERG concerns to be addressed by the contractor

Results:

- Actionable recommendations to be presented, as they become available for consideration and action

The TERG recommends the Global Fund Board and Secretariat give urgent consideration to the preliminary evaluation findings and priority recommendations

Thank you

Loretta **PESCHI**

Atsuko **AOYAMA**

Stefano **BERTOZZI**

Lola **DARE**

Ernest **MASSIAH**

EX-OFFICIO MEMBERS

David **BARR**

Jaap F **BROEKMANS**

Rolf **KORTE** (Chair)

Paul **DE LAY**

Rose **LEKE** (Vice-Chair)

Bernard **NAHLEN**

Bashir **UL HAQ**

Paulo **TEIXEIRA**



Investing in our future

The Global Fund

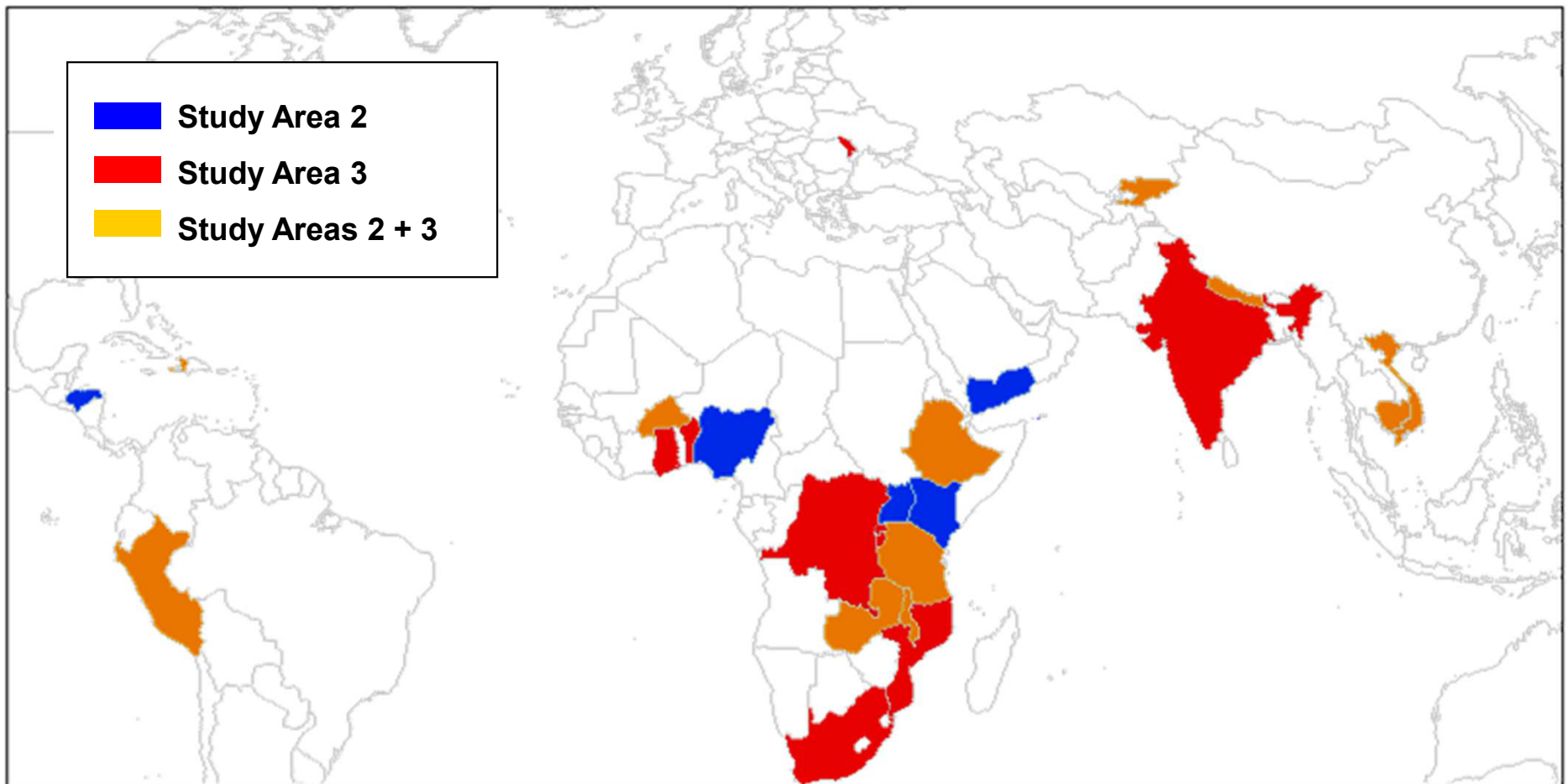
To Fight AIDS, Tuberculosis and Malaria

Backup slides

Chairs have responsibilities for follow up

Recommendation	Responsibility
1. Strategy: Focusing the vision, mission and business Plan	PSC (input PC)
2. Partnership: The core of the GF principles and strategy	PSC (input PC)
3. Governance: Over-burdened with operational issues	C&VC and ED
4. Organizational Structure: Need for medium-term resource plan	FAC and ED
5. Processes and Grant Management: Simplify and innovate	Chairs to discuss in China: PSC (with TERG for PBF) for 'Innovate', PC for elements of "Simplify" ?
6. Mission-Critical Systems: The need for investment and innovation	PC (Financial tracking and procurement) FAC (Information system strategy and resource mobilization)

Global representation with focus in 25 countries



20 countries participating in SA3 - Impact Assessment

16 countries participating in SA2 - Partnerships and Grant Performance



Study Area 3: Impact assessment

Goal:

Determine the combined impact of all partners on reduction of the burden of the three diseases

Update:

On track: data collection to begin in 20 countries, based on Country Workplans

Deliverable:

TERG presents Final Synthesis Report in Nov 2008

Five-Year Evaluation: The Way Forward

Evaluation On Track:

- Final report on Study Area 2 to Board in April 2008
- Final synthesis report to Board in November 2008
- TERG concerns to be addressed by the contractor

Results:

- Actionable recommendations to be presented, as they become available for consideration and action

The TERG recommends the Global Fund Board and Secretariat give urgent consideration to the preliminary evaluation findings and priority recommendations