

Thirty-Third Board Meeting

Corporate KPI Results 2014

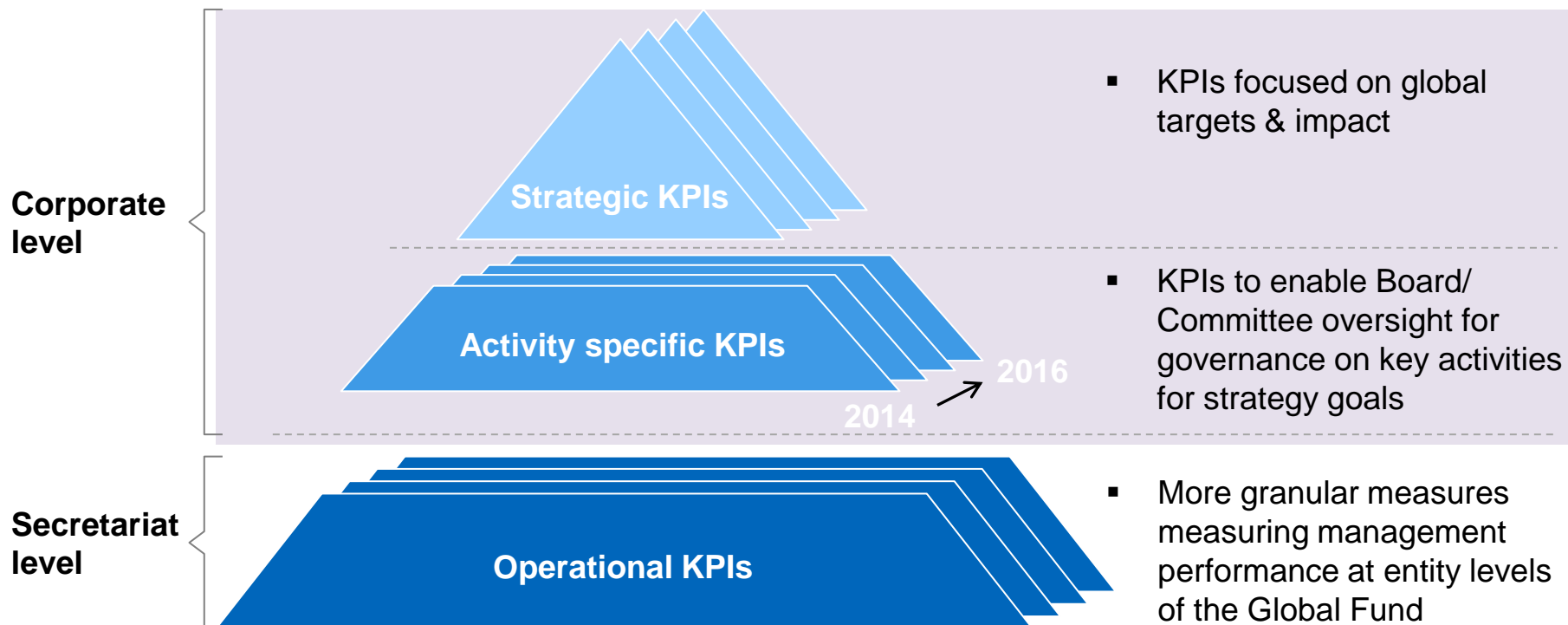
For Board Decision

GF/B33/04B
Geneva, Switzerland
31 March – 1 April 2015

The Hierarchy of KPIs

■ Covered in this document

A few, measurable, results-oriented KPIs covering the life of the Strategy...



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The Corporate KPI Framework

2015 Target to be (re)confirmed

Strategic corporate KPIs	Strategic goals	Strategic targets				
	1 Performance against strategic goals	2 Quality and coverage of services	3 Performance against strategic service delivery targets			
Strategic Objectives	Invest more strategically	Evolve the funding model	Actively support grant implementation success	Promote and protect human rights	Sustain the gains, mobilize resources	Strategic enablers
Corporate KPIs	4 Efficiency of Global Fund investment decisions 5 Health system strengthening	7 Access to funding 8 New Funding Model transition	9 Effective operational risk management 10 Value for money	12 Human rights protection	13 Resource mobilization 14 Domestic financing for AIDS, TB & Malaria	15 Efficiency of grant management operations 16 Quality of management and leadership
	6 Alignment with national reporting systems		11 Grant expenses forecast			

Overview

For review

- Performance assessment provided for 11 indicators
 - Strong performance on 10 of the 11 KPIs
 - Performance below target for: *KPI 11 Grant expense forecast*
 - Actual 2014 grant expenses below forecast
 - Main drivers are delays to Concept Note submissions and improved financial management
- Progress update provided for 4 indicators
 - For KPIs 1-3 no annual targets have been set that enable yearly performance assessment
 - 2016 target for *Number of people alive on ART* has already been met
 - 2014 baseline assessment is now available for *KPI 12 Human Rights Protection*
- No data available for 1 indicator
 - *KPI 5 Health systems strengthening* (delays to in-country surveys conducted with partners)

For approval

- New performance targets submitted for 3 indicators:
 - *KPI 6 Alignment with national reporting systems*
 - *KPI 12 Human Rights Protection*
 - *KPI 16 Quality of management and leadership*

KPI Performance by Indicator

Strategic Goals & Targets

Strategic Objective 1
Invest more strategically

Strategic Objective 2
Evolve the funding model

Strategic Objective 3
Actively support grant implementation success

Strategic Objective 4
Promote and protect human rights

Strategic Objective 5
Sustain the gains, mobilize resources

Strategic Enablers
Enhance partnerships & Improve operations

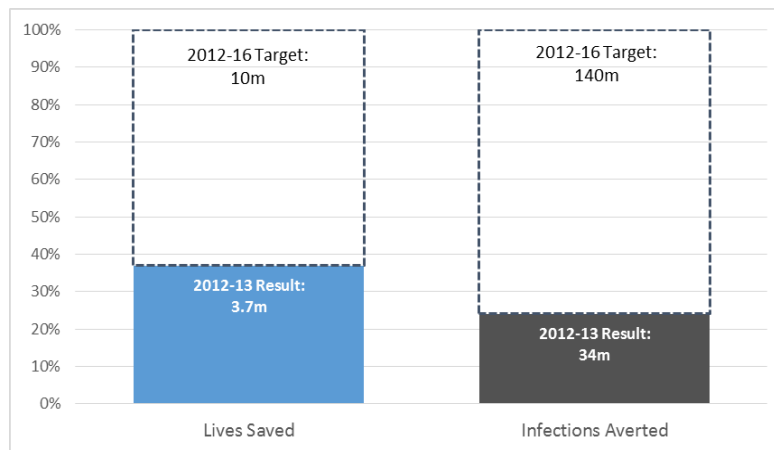
KPI 1 Performance against strategic goals

Measure

- a) Estimated number of Lives Saved
- b) Estimated number of Infections averted

Performance

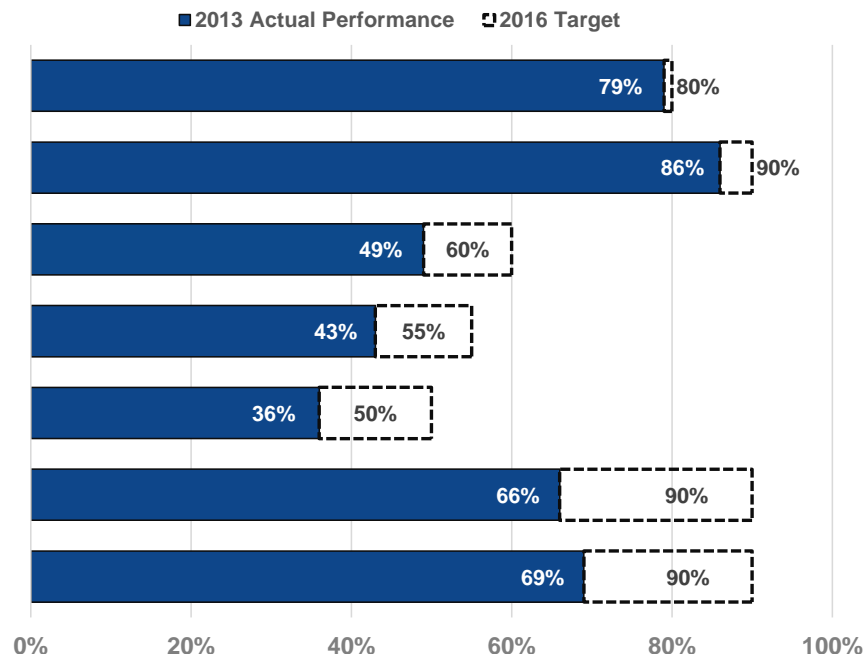
- a) 2012-16 Target: 10m lives saved
2012-13 Result: 3.7m lives saved
- b) 2012-16 Target: 140m new infections averted
2012-13 Result: 34m new infections averted



Strategic Goals & Targets

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- a) ARV retention rate at 12 months*
- b) TB Treatment success rate for all new cases (2012)*
- c) Proportion of population at risk potentially covered by LLINs distributed*
Proportion of the population that slept under an ITN the previous night*
- d) Percentage of adults and children living with HIV currently receiving ART
- e) Percentage of HIV positive pregnant women who received anti-retrovirals to reduce mother-to-child HIV
- f) Percentage of HIV-positive TB patients given ART during TB treatment**



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* The baseline data presented to the GF/B32 were based on latest available data at the time. The baseline data are now updated to reflect 2013 for all indicator except for (b) which will be available in late 2015 due to reporting lag to WHO. ** Updated from 67% to match Global Fund eligible countries.

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KPI 2 Quality and coverage of services (part g)

Measure

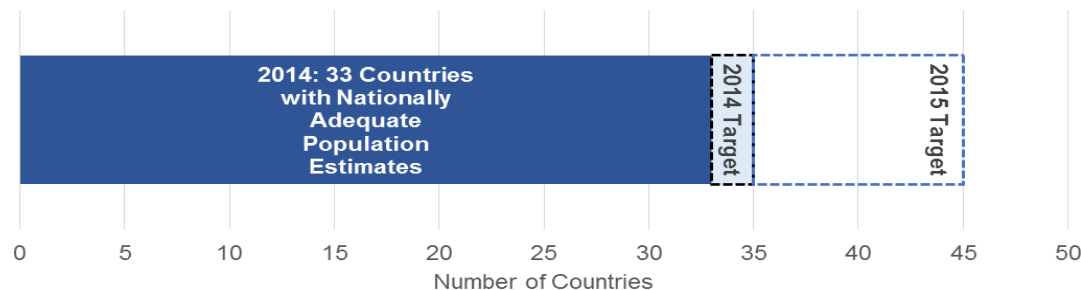
g) Number of countries with validated population size estimates for Female Sex Workers, Men who have Sex with Men, and where applicable, Injecting Drug Users

Performance

2014 Target: 35 countries

2014 Result: 33 countries

2015 Target: 45 countries



- Validation of estimates for two countries has been delayed
- Shortfall expected to be made up in 2015

Strategic Goals & Targets

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KPI 3

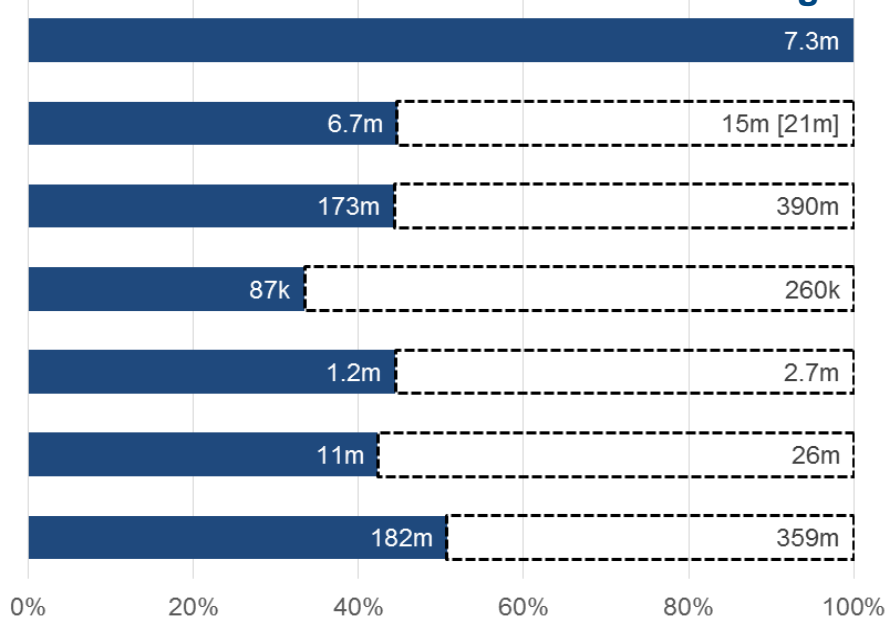
Performance against strategic service delivery targets

Measure

- a) # of people alive on ARV therapy*
- b) # of TB cases treated according to the DOTS approach
- c) # of LLINs distributed
- d) # of bacteriologically confirmed drug resistant TB treated with a 2nd line regimen
- e) # of HIV positive pregnant women who received ART to reduce the risk of MTCT
- f) # of IRS services delivered
- g) # of people who received HIV testing & counseling and know their results

2012-2014 Result

2012-2016 Target



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* Currently alive and on therapy; other data cumulative over 2012-2014

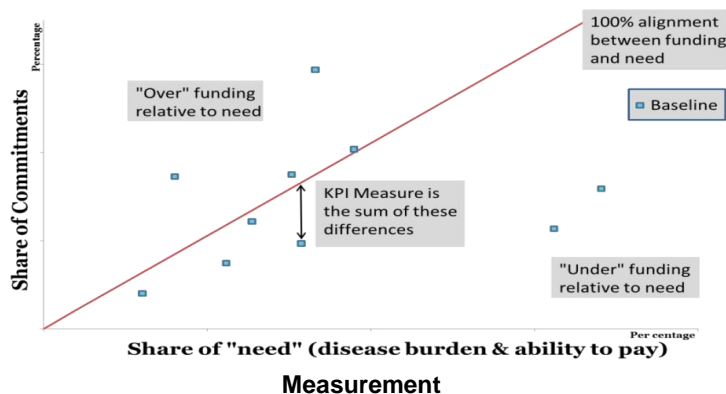
Strategic Goals & Targets

Strategic Objective 1
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KPI 4 Efficiency of Global Fund investment decisions

Measure

Alignment between investment decisions and country "need"; with need defined in terms of disease burden and ability to pay



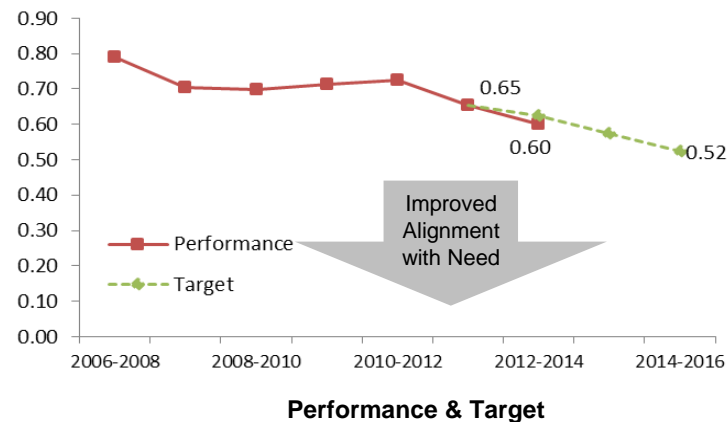
Performance

2014 Target: 0.62

2014 Result: 0.60 (8% improvement)

2015 Target: 0.57

20% improvement in alignment over the 2014-2016 period



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KPI 5 Health System Strengthening

Measure

Service availability rating

- Measured using the WHO Service Availability and Readiness Assessment (SARA) tool

Performance

2014 Result: no data available

2014-2016 Target: 60% of countries surveyed show an improvement of at least 5% points in service availability rating

Update

- KPI reporting for 2014 was expected to be based on surveys from Uganda and Burkina Faso
- These surveys, conducted with partners, have been subject to delays and no data is currently available
- By the end of 2015 survey data are expected to be available for 5 countries; and by end 2016 a further 3 countries
- Implementation of these surveys will be closely monitored over the coming months

Strategic Goals & Targets

Strategic Objective 1
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Enhance partnerships & Improve operations**KPI 6 Alignment of supported programs with national systems****Measure**

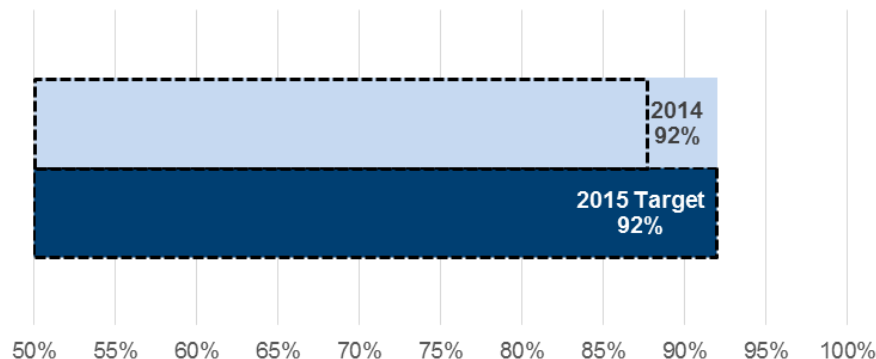
Percentage of investments in countries where Global Fund support is reported on National Disease Strategy budgets

Performance

2014 Target: 87%

2014 Result: 92%

2015 Target: 90%



- 2014 Result exceeded target, mainly driven by improved reporting
- The result exceeds the Board approved 2015 Target

- It is proposed to increase the 2015 performance target to 92%

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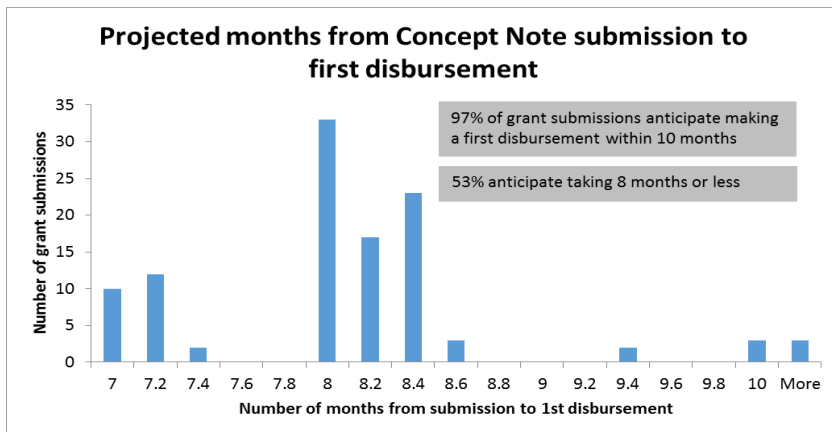
Strategic Goals & Targets

Strategic Objective 1
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KPI 7 Access to Funding

Measure

Time from final Concept Note submission to first disbursement



Performance

2014 Target: 75% of grants take 10 months or less

2014 Projected result: 97% of grants project first disbursement within 10 months

2015 Target:

- For grants submitted in 2014 75% of grants take 10 months or less
- For grants submitted in 2015 75% of grants take 8 months or less

- Four grants completed a first disbursement in 2014
- 93% of grants project first disbursement within 8.5 months
- A small improvement in efficiency should enable the 2015 8 month target to be met

Strategic Goals & Targets	Strategic Objective 1 Invest more strategically	Strategic Objective 2 Evolve the funding model	Strategic Objective 3 Actively support grant implementation success	Strategic Objective 4 Promote and protect human rights	Strategic Objective 5 Sustain the gains, mobilize resources	Strategic Enablers Enhance partnerships & Improve operations
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KPI 8 New Funding Model Transition [Temporary KPI]

Measure

Amount of grant expenses for the **transition** to the new funding model committed to annual schedule of country demands

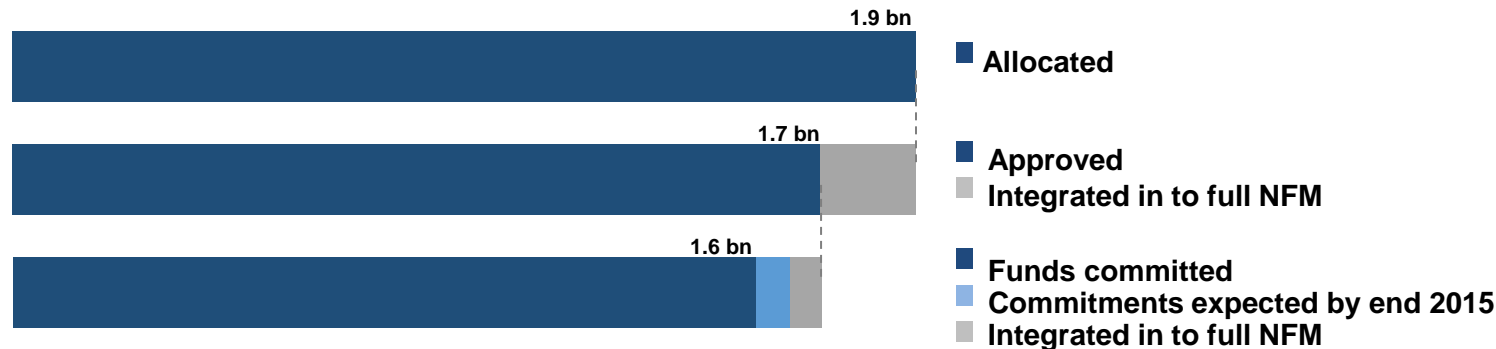
Performance

2014 Target: up to USD 1.9bn over the 2013-2014 period

2014 Result: USD 1.6 bn

2015: Indicator to be phased out

Interpretation



Strategic Goals & Targets

Strategic Objective 1
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Index based on a scoring system applied to the grant level risk ratings of the QUART operational risk management framework

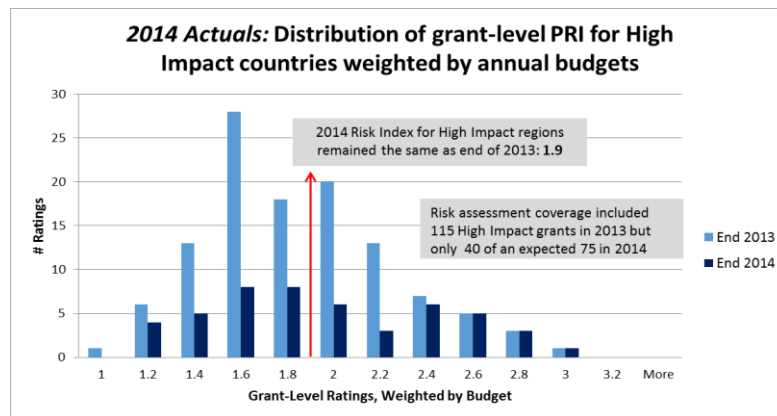
Performance

2014 Target: 1.9

2014 Result: 1.9

2015 Target: Within range 1.7 to 2.1

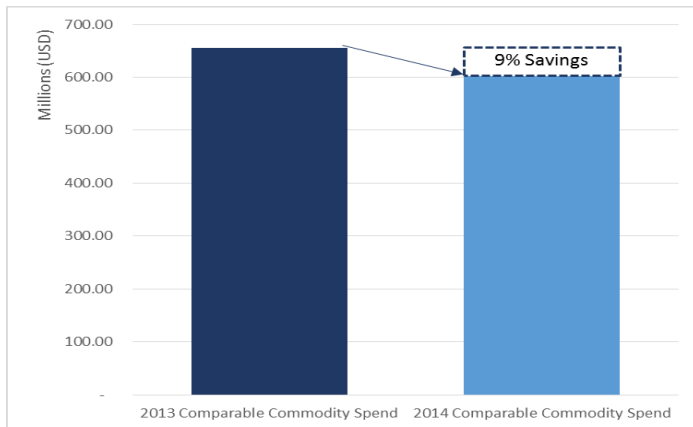
10% of 2013 baseline (1.9)



Strategic Goals & Targets

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Savings gained through leveraging Global Fund purchasing power

**Performance**

2014 Target : Reduce spend by 8% per year for equivalent commodities at equivalent quality and volume

2014 Result: 9%

2015 Target : 8% reduction in spend

$$(\text{Unit Price}_{2013} - \text{Unit Price}_{2014}) * 2014 \text{ volume} = \$ \text{ Savings}$$

$$\text{KPI} = \text{savings} / \text{total PPM spend}$$

Main driver of observed savings has been a 30% unit price reduction for AMFm ACTs

Strategic Goals & Targets

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Corporate Expenditure Rate (CER): Proportion of forecast grant expenses made to schedule

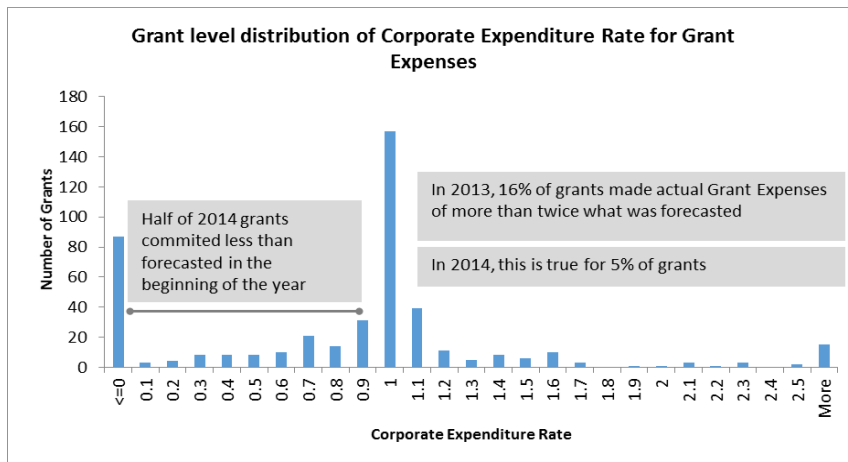
Performance

2014 Target: 0.9-1.1

2014 Result: 0.75

(Actual Grant Expense / F1 Grant Expense forecast)

2015 Target: 0.9-1.1



- **Grant making timelines:** bulk of NFM concept notes submitted in Q4 2014. Signing expected in 2015.
- **Improving / optimizing financial management:** regular monitoring of in- country cash balances
- **Absorption rates:** reduction in annual grant commitments to reflect realistic absorption rates
- **No disruption in services**

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KPI 12 Human Rights Protection

Measure

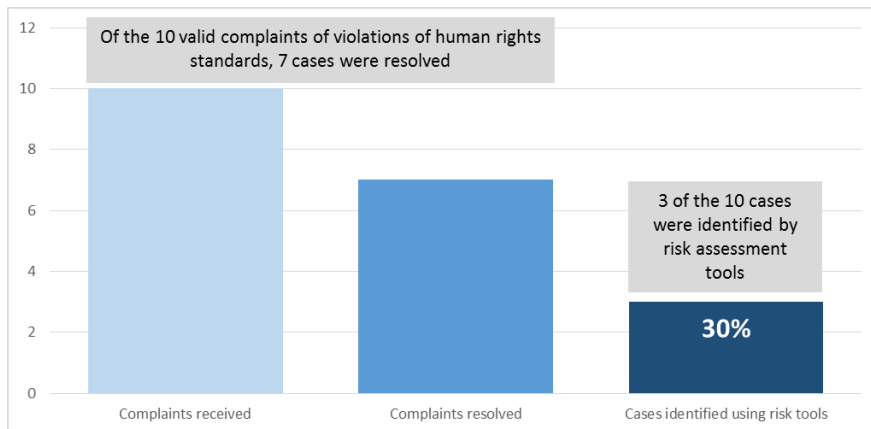
Percentage of human rights complaints against Global Fund supported programs successfully identified through risk assessment tools; and resolved through Secretariat policies and procedures

Performance

2014 Target: n/a

2013-2014 Baseline result: 30%

Proposed 2015 Target: year on year improvement with a 100% aspiration



- A new human rights complaints procedure was introduced in November 2014
- The baseline result is based on 10 complaints received between January 2013 and June 2014

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KPI 13 Resource Mobilization

Measure

- Actual pledges as a percentage of the replenishment target
- Pledge conversion rate. Actual contributions as a percentage of forecast contributions

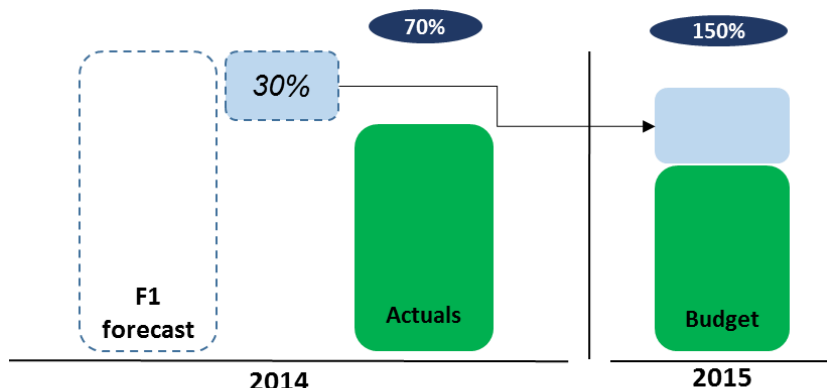
Performance

2014 Result: USD 12.2 bn (81%)*

2014-2016 Target: USD 15 bn

2014 Result: 70%

2014-2016 Target: 100% annually of forecast contributions received



Timing shift for 30% of forecast 2014 contributions due to:

- Legislative requirements
- Delayed signing of agreements due to donor administrative processes and the need to accommodate Global Fund foreign exchange management requirements
- Application of cash-based method of accounting for some agreements resulting in partial recognition of contributions in 2014

Timing shifts in contributions do not create long term risk

* Result excludes matching pledges

Strategic Goals & Targets	Strategic Objective 1 Invest more strategically	Strategic Objective 2 Evolve the funding model	Strategic Objective 3 Actively support grant implementation success	Strategic Objective 4 Promote and protect human rights	Strategic Objective 5 Sustain the gains, mobilize resources	Strategic Enablers Enhance partnerships & Improve operations
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KPI 14 Domestic financing for AIDS, TB & Malaria

Measure

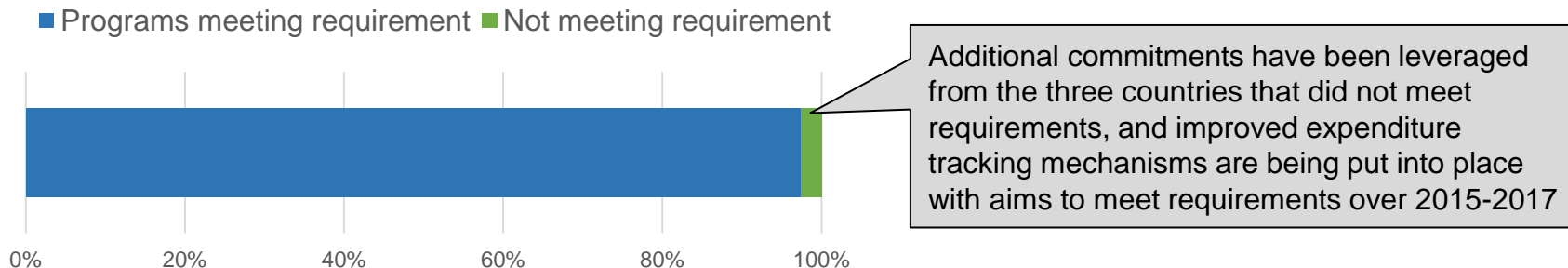
Percent of programs accessing funding where government contributions meet minimum counterpart financing thresholds

Performance

2014 Target: 90%

2014 Result: 97% (114 of 117 programs)

2015 Target: 90%



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Strategic Goals & Targets

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KPI 15 Efficiency of grant management operations

Measure

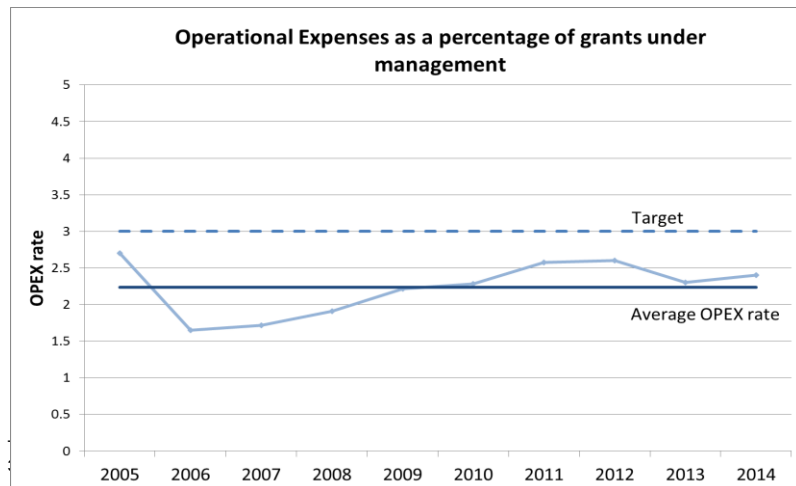
OPEX rate: operating expenses as a percentage of grants under management

Performance

2014 Target: 3%

2014 Result: 2.3%

2015 Target: Below a maximum of 2.75%



The OPEX rate has stabilized after a six year period of growth

Strategic Goals & Targets

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KPI 16 Quality of Management & Leadership

Measure

Management and leadership index

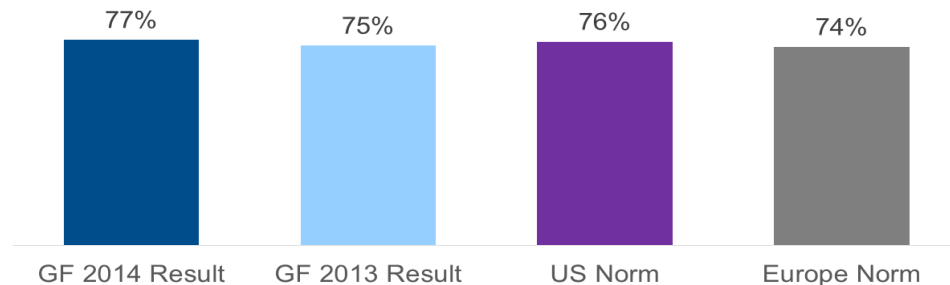
Towers Watson Manager Quality scale selected as the benchmarked index

Performance

Target: 78% of items on manager quality survey received favorable responses

2014 Result: 78%

Proposed 2016 Target: 80%



GF result of 77% is based on 20 items comparable across the norms

- Variation in performance across divisions and scale dimensions provide scope for further improvement
- The Manager Quality Survey will not be conducted in 2015