Five-Year Evaluation of the Global Fund – Inception Report Summary Study Areas 1 and 2

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AXIOS

GLOBAL FUND FIVE-YEAR EVALUATION
STUDY AREAS 1 AND 2
INCEPTION REPORT SUMMARY

June 20, 2007

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LIST OF ACRONYMS

CCM	Country Coordination Mechanism
CP	Conditions Precedent
CPA	Country Partnership Assessment
CSO	Civil Society Organization
DFI	Development Finance International
EARS	Early Alert and Response System
FPM	Fund Portfolio Managers
GDF	Global Drug Facility
GLC	Green Light Committee
IIHMR	Indian Institute for Health Management Research
JHBSPH	Johns Hopkins Bloomberg School of Public Health
LFA	Local Funding Agent
M&E	Monitoring and Evaluation
NGO	Nongovernmental Organization
OD	Organizational Development
OPCS	Operations Performance and Country Support Unit
PEP	Performance Evaluation and Policy
PEPFAR	President's Emergency Plan for AIDS Relief
PBF	Performance-based Funding
PR	Primary Recipient
SA	Study Area
SCMS	Supply Chain Management System
SOP	Standard Operating Procedure
SR	Sub-recipient
TBCAP	Tuberculosis Control Assistance Program
TERG	Technical Evaluation Review Group
TGF	Global Fund to Fight AIDS, Tuberculosis and Malaria
TRP	Technical Review Panel
UNAIDS	The Joint United Nations Program on HIV/AIDS
WHO	World Health Organization

I. Introduction

Since its inception in 2002, the Global Fund to Fight AIDS, Tuberculosis and Malaria (TGF) has become a major source of financial assistance in the fight against these diseases. It has also attempted to establish a new model for development financing, combining country-level ownership of programs with institutional efficiency and effectiveness. Given the major expectations for the Global Fund[1], it has been subjected to intensive challenges about its ongoing programs and questions about its future direction.[2]

At its November 2006 meeting, the Global Fund Board approved "a first major evaluation of the Global Fund's overall performance against its goals and principles after at least one full grant funding cycle has been completed (five years)." In mandating the Global Fund Five-Year Evaluation, the Board implicitly marks the transition of the Global Fund from an innovative startup to a more mature organization, one which must address the three major issues that constitute the Study Areas (SAs)[3] of the Five-Year Evaluation.

The SAs are organized around the following three overarching evaluation questions:

Evaluation Question 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?

Evaluation Question 2: Effectiveness of the Global Fund partner environment

How effective and efficient is the Global Fund's partnership system[4] in supporting HIV, tuberculosis, and malaria programs at the country and global level? What are the wider effects of the Global Fund partnership on country systems?

Evaluation Question 3: Impact of the Global Fund on the three diseases

What is the overall reduction on the burden of AIDS, tuberculosis, and malaria, and what is the Global Fund's contribution to that reduction?

Figure 1 illustrates how the three study areas overlap, inform, and complement each other, and it serves as the organizing framework for this inception report summary.

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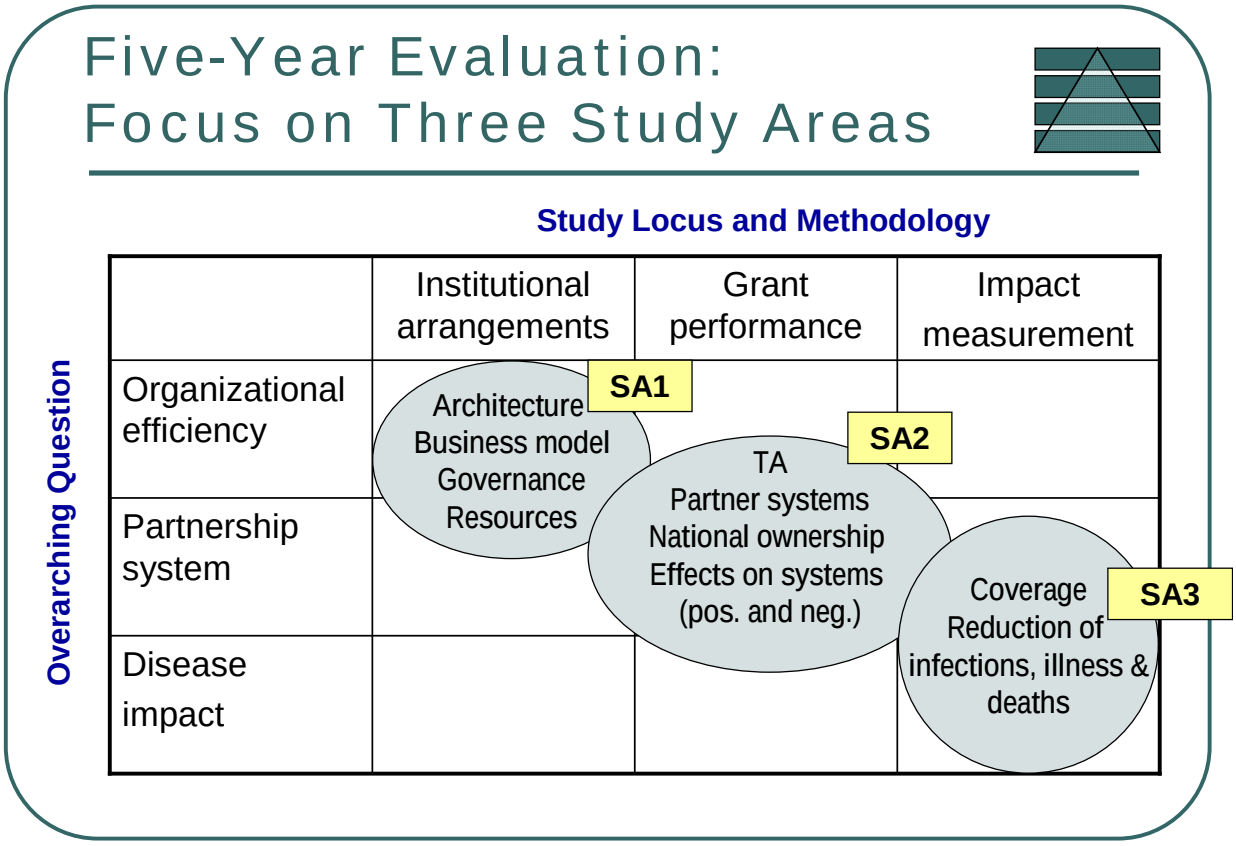
[1] Brugha R. et al. The Global Fund: managing great expectations. Lancet. 2004 Jul 3-9;364(9428):95-100.

[2] Kent Buse, Andrew M. Harmer. Seven habits of highly effective global public–private health partnerships: Practice and potential. Social Science & Medicine 64 (2007) 259–271.
Laurie Garrett. The Challenge of Global Health. Foreign Affairs. Jan-Feb. 2007. 86 (1):14-38.
Keith A. Bezanson. A Situation Assessment of the Global Fund. September 2005.

[3] http://www.theglobalfund.org/en/about/terg/announcements/five_year_evaluation/ *The Evaluation Questions of the Five-Year Evaluation were Developed Through a Broad Consultative Process which, among Other Things, Identified a Number of Tensions or Potential Fault Lines in the Global Fund Model.*

[4] E.g., Country Coordinating Mechanisms, Principal Recipients, Sub-Recipients, Recipient Country Ministries, and Other Public Bodies, Civil Society, Technical Support Providers, Implementers of Programs, Donors.

Figure 1: Overview of Three Study Areas[5]



The overlap within and between the SAs is highlighted not only by the interrelationships between the elements covered within each area (e.g., Architecture, Partner Systems), but also by the fact that no SA alone will entirely address any of the overarching evaluation questions. This reinforces the fact that there are connections between the impact achieved at the country level, the partnership system set up at the global and country level for the purpose of maximizing this impact, and the creation of a business model and organizational architecture established for the Global Fund itself.

In the context of this model, the SA1 and SA2 teams are tasked with not only investigating the critical interrelationships between Evaluation Questions 1 and 2, but also with the task of preparing a Final Synthesis Report including the results of impact evaluation studies carried out by the SA3 team.

An impressively large number of studies on Global Fund operations and outcomes have already been conducted by both the Global Fund itself and by others. The initial synthesis of findings from SA1 and SA2 will be grounded in these, with the goal of trying to draw connections between grant performance, the success of the partnership model in-country, and the

[5] Korte, R. and S. Bertozzi. 2006. TERG Update. Presentation made at the Fourteenth Board Meeting of the Global Fund, October 31 to November 3, Guatemala City, Guatemala.

"institutional arrangements" and business model for the Global Fund. Because the SA1 and SA2 studies will be completed before the SA3 study, outcome and impact data generated by SA3 will be used retroactively as an additional measure of "performance," as a means to validate findings, and to revisit recommendations and conclusions drawn from the SA1/SA2-level analysis. Because the three study areas will be carried out in different timeframes, SA2 findings in particular will be fed into the SA3 team's ongoing work in those countries that overlap the two study areas.

This analysis will be mindful of the issue of attribution, and recognizes that the level of attribution of effects to Global Fund actions decreases as the level of assessment progresses from organizational efficiency (SA1), to the partnership system (SA2), to impact (SA3).[6]

The overall sequencing of the studies and the methods to be employed by the SA1 and SA2 teams, as well as a presentation of initial hypotheses, study questions, and methods and tools related to the overarching questions are summarized in the following sections. A final section briefly introduces the approach for integrating findings from SA1 and SA2 and linking them to the results of the impact study being carried out under Study Area 3.

Several elements that are crosscutting, such as performance-based funding and procurement, disbursement, and financial management, are presented under one specific SA to facilitate the flow of the document. However, these issues are presented and discussed in terms of their crosscutting nature.

II. Approach and Methods for Study Areas 1 and 2

SA1 and SA2 will be led by Macro International Inc. (Macro) and a team of partners with global presence and expertise in public health; organization development; and qualitative and quantitative research. Partner organizations include the Johns Hopkins Bloomberg School of Public Health (JHBSPH); Development Finance International (DFI); Axios Inc.; the CORE Group; and the Indian Institute for Health Management Research (IIHMR).

SA1 will focus on carrying out assessments of the Global Fund operations in Geneva and consulting with global stakeholders. Country-level data required to inform SA1 studies will be collected through activities in SA2. SA2 will focus on the partnership environment at the global level and in 16 countries that together capture the Global Fund's overall experience and the countries diverse performance status.

Table 1 describes the 16 focus countries of SA2, with overlapping SA3 impact assessment countries.

[6] Technical Evaluation Reference Group. 2006. Technical Background Document on the Scale and Scope of the Five-Year Evaluation of the Global Fund to Fight AIDS, Tuberculosis and Malaria. The Global Fund Five-Year Evaluation. Available at http://www.theglobalfund.org/en/files/terg/14_tech_report.pdf.

Table 1: Study Area 2 Focus Countries

SA2 Country Partnership Assessment Countries	
Burkina Faso*	Kyrgyzstan**
Cambodia*	Nepal**
Ethiopia*	Vietnam**
Haiti*	Honduras
Malawi*	Kenya
Peru*	Nigeria
Tanzania*	Uganda
Zambia*	Yemen

* SA3 Comprehensive Evaluation Countries
**SA3 Secondary Analysis Countries

The evaluation methodology is based on (1) an assessment of currently existing evidence, used to inform this inception report with further synthesis to be integrated in each evaluation component; (2) the identification of information gaps and priority avenues for further inquiry; (3) the collection and analysis of additional information at each level; and (4) discussion of findings, analysis and conclusions with stakeholders to ensure the soundness and actionability of the eventual recommendations.

For all components of the evaluation of SA1 and SA2, a trail of evidence will be built. Findings from past studies, monitoring data, and quantitative data will be used to establish and summarize known facts (the "what"), while qualitative data will be used to understand the processes and dynamics behind those facts (the "why" and "how"). Open questions will be used to obtain perceptions and narratives, close-ended questions will provide ratings and scoring, and numerical data will be extracted to provide the most complete picture possible.

SA1 and SA2 rely on complementary methods applied at each level of assessment, and both will be thoroughly grounded in the wealth of existing documentation that already exists—both in the form of previous studies conducted about the Global Fund, and in terms of existing data available from the Global Fund to inform specific aspects of the Evaluation (e.g., data on grant performance, TRP records, historical board decisions). The review of existing documentation is the backbone of the Five-year Evaluation and has considerably informed this inception report. It is considered as one of the primary inputs to inform all assessments carried out under SA1 and SA2. Country teams are provided a packet of key documents, including country-specific documents, in preparation for each country assessment. The evaluation team is also conducting a comprehensive study of all previous recommendations made from other studies to ensure that these inform any final recommendations that emerge from this study.

The other principal data collection activities of SA1 and SA2 include interviews at the Global Fund Secretariat and with global stakeholders; an organizational development assessment of Global Fund governance and management; review of specific areas of performance of the Global Fund and its ancillary structures; and Country Partnership Assessments (CPAs) in 16 countries. Each of these activities is presented in the context of the SA-specific approaches outlined in section III.

Table 2 outlines the integrated approach to phasing SA1 and SA2, with the goal of bringing the findings from the two areas together in August 2007 (including preliminary findings from those

SA2 countries completed by mid-August). Findings from SA3, which concludes later than SA2, will be used to revisit and inform trends seen in those countries that overlap the two SAs, for the purpose of producing a final synthesis report by August 2008.

Table 2: Staging of Study Areas 1 and 2 Evaluation Activities

Phase	Dates	Main Activities		Deliverables
Phase 1. Inception	March-April 2007	• Team planning, orientation meetings, and tool development—26 to 30 March 2007		Evaluation contract signed: April 10th, 2007 Inception Report, inclusive of draft protocols for country studies—20 April 2007
Phase 2. Data Collection	May-July 2007	**SA1** • Systematic review of existing documentation • Organizational development (OD) assessment, including governance study and work processes in Geneva • Conduct of additional studies, including private sector, in-country contributions, Technical Review Panel (TRP) functions, benchmarking, etc.	**SA2** • Preparation for country studies: Identification of partners, formation of teams for country studies • Implementation of first country studies	
Phase 3. Synthesis of SAs1&2	Aug 2007	• Analysis and synthesis of Study Areas 1 and 2 assessment components • First consolidation and integration of findings for Study Areas 1 and 2		Preliminary 1st Report on Study Area 1 with preliminary results for Study Area 2: Aug 26th 2007; Final report October 1, 2007
	Sep-Nov 2007	• Completion of country studies		Final Country Partnership Assessment Report (16 countries): February 2008
Phase 4. First Step of Final Synthesis	Sept 2007-June 2008	• Identification of priority evaluation gaps and implementation plan • Intensified coordination with Study Area 3 • Scale development and other preparation for modelling exercises		
Phase 5. Second Step of Final Synthesis	June - Aug 2008	• Modelling exercises • Synthesis and preparation of Final Synthesis Report • Preview of findings and recommendations with stakeholders with final revisions to the Final Synthesis Report: September 2008		Draft Synthesis Report: Aug 15, 2008 Preview Findings with Stakeholders: Sept 2008 Final Report: Sept 2008 Distribute Report: October 2008

III. Study Area 1—Assessment of Organizational Efficiency and Effectiveness

SA1 will evaluate the Global Fund in terms of its mandate, set forth in Article 2 of the By-Laws, to "…attract, manage and disperse resources through a new public-private foundation that will make a sustainable and significant contribution to the reduction of infections, illness and death, thereby mitigating the impact caused by HIV/AIDS, tuberculosis and malaria in countries in need, and contributing to poverty reduction as part of the Millennium Development Goals established by the United Nations."

SA1 is organized to examine the degree to which the Global Fund (1) established a business model that adheres to explicit principles, and (2) built an organizational architecture and governance structure to support that business model, which in turn has been supported by a partnership model at the country and global level that has served to fill resource gaps to address the three diseases and support other existing efforts. SA1 will explore inherent tensions in the business model and the implications of those tensions for organizational architecture and governance, including the issue of resource mobilization.

Structures, functions, and processes considered through this assessment cut across all operations of the Global Fund's mandate, and will be evaluated in the context of an institution working within a partnership system. Perspectives from global stakeholders (from past studies and limited additional consultations discussed in the SA2 section) will contribute to this analysis.

Outlined below are the key foci of SA1, organized by key hypotheses, study questions, and planned tools and methods.

GLOBAL FUND BUSINESS MODEL

Initial Hypotheses—The Global Fund Business Model	
• The essence of the Global Fund's business model (a lean organizational financing instrument, operating through a partnership system) has proved difficult to reconcile with performance based funding and the imperative to show rapid results. • The tensions and even contradictions within the original GF business model have contributed to differing expectations from different constituencies which are not easily bridged without departure from the original model. • The Global Fund was established during a period marked by the rapid expansion of global health partnerships and, though unique in certain respects, exhibits many of the positive (and less positive) characteristics of other partnerships.	
SA1 Study Questions	**Method of data collection/Tools**
To what extent are the operations and evolved business model of the Global Fund in accord with the original intensions, mandate, and founding principles? How effectively and efficiently have principles of a cash-flow organization that depends on contributions and pledges, makes awards based on technical merit, and continues funding with performance-based criteria been put into practice?	• Analysis of the existing documentation. • Interviews at Board, TGF and stakeholder levels. • SA1 and SA2 Synthesis.

The Five-Year Evaluation will examine the business model in terms of its evolution during the relatively short 5-year lifespan of the Global Fund, whether the model was "fit for purpose" from the outset and whether it can or should endure as the Global Fund matures. Through analysis of the existing documentation (particularly the emerging strategic plan) and consultations with informants in Geneva, the Evaluation will assess the adaptation of these elements of the business model in response to the evolving global situation.

Ultimately, however, assessing the Global Fund's business model is not an SA1 or SA2 question, but an overarching question of the Evaluation. Its examination will require considering how Global Fund principles have been respected or adapted, what variations have occurred in implementing these principles with partners at all levels (within the Global Fund as well as through country structures).

Each component of SA1 will collect evidence, from existing as well as new sources, to answer the study questions. These different analyses will be compiled and examined to develop a comprehensive picture of the Global Fund's organizational effectiveness and efficiency in light of its founding principles. A benchmarking study and a review of the Global Fund's resource mobilization strategy will be used to examine how inputs are brought into the business model, and how overall efficiency is demonstrated compared with other institutions.

GOVERNANCE

Initial Hypotheses—Governance	
• The Global Fund's Governance Structure (e.g., the Board) gives voice and effective power to its different constituencies in key decision making processes. • Global Fund governance has struggled with at best partial success to resolve-- through clear policy determinants--a number of tensions, including those between universal eligibility versus a focus on poverty, delivering entirely via partnerships versus hands on country level delivery, and influencing the global supply chain versus supporting local capabilities. • Tensions and directions for improvement and efficiency gains can be identified in Board operations, particularly in Board-Secretariat relations and role distribution.	
SA1 Study Questions	**Method of data collection/Tools**
To what extent has the governance function of the Global Fund operated as envisioned? To what extent and how effectively has the governing board performed the roles and responsibilities assigned to it? What are the strengths and weaknesses of the governance model, particularly in terms of decisionmaking processes, accountability, composition, role in effective partnerships and adaptation over time?	• Review of Board membership records. • Review of findings from Board Survey of Effectiveness of Board and Committee Mechanisms. • Interviews with Board members from all delegations. • Structured analysis of Board meeting minutes on key decision points.

The Five-Year Evaluation will address the issue of governance through the role of the Board in guiding the organization, and the impact of the Board in terms of its decisionmaking processes and constitution on the larger Global Fund system and business model. The Evaluation Team recognizes that while individuals serving on the Board have changed, the general characteristics of membership and board structure have remained consistent. The Evaluation Team will meet or conduct phone interviews with Board members from the different constitutive delegations, as determined by the Board at its April retreat, where the feasibility of specific meetings with Committees themselves as a group or Committee representatives will also be discussed. These

discussions will build from the dialogue and with the Board that was initiated with the Evaluation Team at the April 2007 Board Retreat, and the issues raised at that meeting.

The Board has produced a clear record of its thinking on a number of operational issues through the pre-Board meeting preparation of documents and the postmeeting list of decision points. The Evaluation proposes a detailed analysis of the Board documents and decision points to identify shifts in Board agendas over time; extent to which these agendas have focused on strategic issues compared with general operations; how the agendas have been set and by whom; and the evidence from the record of debates and discussions of equitable voice across constituencies.

The Evaluation will also review the results of the annual internal Board Survey of effectiveness of Board and Committee mechanisms, which constitutes a key performance indicator of best practice in governance.[7]

GLOBAL FUND ARCHITECTURE

Initial Hypotheses—Global Fund Architecture	
• Operational and organizational stresses have developed as the Global Fund's structures and systems have rapidly expanded to meet its mandate to manage and disburse resources. Areas for improvement can be identified in Secretariat capacity, management and support systems, work flows and processes. • The TRP process has satisfied the condition of independence of the proposal review process, but areas of improvement can be identified in terms of efficiency of processes and adequacy to disease-specific technical standards. • The TRP process (based on quality-at-entry factors) is facing and will face increasing stress (as the financial size of the Global Fund grows) in continuing to exercise proposal review; and in its compatibility with long term capacity building and GF support for the weakest and most vulnerable populations. • The LFA system has played a key role in the architecture of the Global Fund, at a high cost, and requires adjustments (or the development of an alternative model) to support a wider range of functions than initially considered. • Bottlenecks and loss of efficiency can be identified at different levels of operation of the Global Fund operations and activities, in procurement and supply management (PSM), and in disbursement and financial management at the PR-SR level. • The Global Fund's operations can be improved through benchmarking not only its overall disbursement efficiency, but comparison of key processes with other institutions with similar mandates and/or structure.	
SA1 Study Questions	**Method of data collection/Tools**
In which areas are the components of the Global Fund organization operating according to criteria of quality and performance excellence? What areas for improvement can be identified?	• OD assessment
What areas of operational and organizational stress have developed as the Global Fund's structures and systems have rapidly expanded to meet the demands of its mandate?	• OD assessment
What is the performance, adequacy, appropriateness to country applicants, and adaptation over time of the technical review process?	• TRP assessment
Are there alternatives to the LFA system, which has been severely criticized for systemic structural weaknesses, high cost, and possibly low benefit-cost ratios?	• TERG/EHG LFA Study & Other LFA studies
In terms of efficiency measures, how does the Global Fund compare with other international agencies with similar mandates?	• Benchmarking Study

The evaluation of the Global Fund's architecture will be guided by a series of six elements related to performance excellence that are derived from the literature on quality management

[7] Global Fund. 2005. Investing in the Future: The Global Fund at Three Years. Geneva, Switzerland: Global Fund.

(see Table 3). While these elements will be used to frame the review of the Global Fund architecture, they will also guide other areas of the Five-Year Evaluation. The elements of leadership and strategic planning, for example, will be partly addressed by the activities related to review of governance discussed above. The assessment of the Global Fund's customer and market focus will be informed by consultations with its external customers (global and country stakeholders and partners) as well as its internal customers (e.g., staff in the various operational units of the Secretariat).

Table 3: Elements of Performance in the Formal and Informal Systems[8]

Elements	Formal System	Informal System
1. Leadership	Policies and procedures used by senior managers to guide and sustain the Global Fund. What systems are in use? How do leaders involve the workforce in decisionmaking?	What is the leadership style of senior managers? How do they address ethical and legal responsibilities?
2. Strategic Planning	Mission, vision, and clarity in the Strategic Plan	Mission & Goal understanding throughout the organization; Operationalization of Strategic Policies, Procedures, and Practices
3. Customer and Market Focus	Customer surveys and reports	How customer input into Global Fund operations is collected, analyzed, and incorporated into operations
4. Measurement, Analysis and Knowledge Management	Management information systems; databases; Websites	What are various information systems actually used for and are they being subverted?
5. Workforce Focus	Employee climate surveys; turnover rates; hiring procedures; workforce development methods	How does the Global Fund create a working environment that ensures high performance? How does TGF assess its workforce needs?
6. Process Management	Key organizational processes; process documentation	What are the key processes and how do they deliver value to the customer? How do process management improvement procedures work?
7. Results	Summary reports on key evaluation areas (e.g., leadership, workforce focus, finance, MIS, customer focus)	Informal perceptions of staff and employees on how the Global Fund conducts its work to meet customer needs.

Specific evaluation activities will focus on workforce and process management focus and address issues of knowledge management and information systems. These activities will include an organizational development assessment, a review of the TRP, LFA and procurement and disbursement processes, and a benchmarking study.

Organization Development Assessment

An organizational development (OD) assessment will guide the examination of key aspects of the Global Fund's architecture (i.e., the structures set up within the Global Fund organization to carry out its business model). As an initial step, the Evaluation will carry out an institutional mapping exercise of all of the Global Fund's structures (and sub-structures) and their functions (or terms of reference), as defined through founding documents, board directives, internal management guidelines, and interviews with relevant officers. This analysis will provide information on each structure's specific responsibilities (with linkages between the Board, the Committees, the Secretariat, and the ancillary structures), its expected results, as well as the numbers, characteristics, and qualifications of staff of these units over time. The assessment will begin with the mapping activities at the Secretariat Level, but will also expand to consider the

[8] Adapted from Baldridge National Quality Program: Criteria for Performance Excellence. National Institute of Standards. Gaithersburg, MD, USA. 2006.

role of ancillary institutions (committees, partner forum, Office of the Inspector General, TERG) that have been established to provide infrastructure as the Global Fund evolved.

The assessment will be carried out through individual interviews with the Secretariat, and eventually completed with information from the Board and Committees as well as focus group sessions to frame more precisely the findings of the Evaluation and the possible recommendations for change. The OD assessment will inform other assessments carried out under SA1 and be informed by studies such as the LFA studies recently completed and the results of the Fund's historical staff climate surveys.

TRP Assessment

In February 2006, based on the experience of five rounds of proposal submission and technical review, the Global Fund published an assessment of the Proposal Development Process.[9] Because this assessment emphasized the proposal development, review, and approval process primarily from the country perspective, this Evaluation intends to limit the scope of the investigation with respect to the evolving practices of the TRP over the five-year period and the six rounds of proposals that have been reviewed.

The Five-Year Evaluation will produce added value to the previous assessment in several respects. First, the descriptive elements of the review will be historical (i.e., by round) so as to examine possible trends in the proposal review and approval process. Second, the review will assess whether any of the relevant recommendations made from the previous assessment have been taken into account by various players. Finally, the Five-Year Evaluation will address issues related to the TRP's role and responsibilities (or lack thereof) in: (1) the post-TRP appeals process; (2) the review process for Phase 1-Phase 2 projects; and (3) proposed new innovations (e.g., the proposed accelerated light review following a successful round).

Because the number of proposals submitted and reviewed is now more than 1,000 and the paper trail associated with these reviews is often voluminous, the Evaluation has proposed a methodology for assessing the proposal review and approval process that will yield representative case studies. While by no means constituting a random sample (which is beyond the scope of the Five-Year Evaluation), the analysis should provide an indication of the merits of the approaches used successively since Round 1. Attention will be paid to focusing on each of the three diseases systematically.

LFA Assessment

The LFA system has been examined as part of the Five-Year Evaluation through a TERG-sponsored study led by EuroHealth Group, as well as by the Government Accounting Office (GAO) and reviews whose publication is pending. Reports to date have noted some consistent weaknesses to be addressed including the need for a clear evaluation system for LFAs, greater consistency in management/oversight of LFAs by FPMs/Secretariat, clear Standard Operating Procedures (SOPs) for LFA-related functions, greater clarity on mutual expectations, need for

[9] Euro Health Group. 2006 Assessment of the proposal development and review process of the Global Fund to Fight AIDS, Tuberculosis and Malaria. Geneva, Switzerland: Global Fund.

improved monitoring and record keeping by LFAs, staffing and expertise issues in LFA offices, and transition problems when there is a change in LFAs.

The Evaluation will use these recent studies, as well as the program reports and financial records as reported by LFAs, and fill in any gaps that may exist related to the LFA model and its evolution through changes being made with the upcoming re-bid (as the re-tendering timetable allows).

Assessment of Procurement, Disbursement, and Financial Management

In applying the "financing only" principle, the Global Fund assumed that countries either had appropriate mechanisms in place or that other partners would provide the necessary technical assistance to ensure adequate oversight of program implementation particularly with respect to: (1) procurement and supply chain management, and (2) disbursement, financial management, and audit.

With respect to disbursement and financial management, analyses of grant performance have cited financial management difficulties, particularly with the management of sub-recipients.[10] Through combined SA1 and SA2 work, the Five-Year Evaluation will review how the Global Fund evaluates the adequacy of the financial systems of PRs and SRs and its actions before grant award; determine how policies and guidelines have been formulated and adapted and whether portfolio managers have been able to monitor their application in the recipient countries; and examine how the quality of annual program budgets and financial reporting (including audits) is determined by the Secretariat and analyze the use of such information at the Secretariat level.

With respect to procurement, a recent Board document points out that the decentralized procurement model envisaged by the Global Fund has been confronted by (1) a lack of strategic, prioritized, and coordinated national plans with costed inputs by disease area, which could easily be translated into procurement plans for works, goods, and services; and (2) cumbersome national-level procurement procedures and insufficient capacity that has hindered program implementation overall and particularly given the short timeframes allowed to grant recipients to demonstrate results.[11] While noting on the one hand that it is not strategically well-positioned to provide broad or ongoing on-the-ground services to grantees, such as procurement and supply management, the Board document notes that the Global Fund has de facto evolved toward a limited role in reducing the extent to which procurement is a bottleneck to grant implementation (e.g., with training to PRs on writing effective procurement plans, formats for identifying and quantifying drugs to be procured).[12]

Given that procurement and supply chain management cannot be addressed by the Global Fund in isolation from other partners, the Global Fund is currently reviewing its positions with respect to procurement and proposing a number of changes to respond to the identified bottlenecks.[13]

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[10] Ibid., p. 2.
[11] The Global Fund to Fight AIDS, Tuberculosis and Malaria. 2007. Options paper on the strategic positioning of the Global Fund, The Global Fund to Fight AIDS, Tuberculosis and Malaria. (GF/B13/7—Attachment 1) p. 8.
[12] Ibid., p. 12. For the drug format, see The Global Fund to Fight AIDS, Tuberculosis and Malaria. 2007. Preliminary procurement list of drugs and health products. (GF/B13/8—Annex 5, Attachment B).
[13] The Global Fund to Fight AIDS, Tuberculosis and Malaria. 2006. Options paper on optimizing grant performance. (GF/B13/7—Attachment 3).

Benchmarking Study

The Evaluation will benchmark the Global Fund against other agencies through (1) a general examination of the Global Fund within the broader context of global partnerships as studied by a growing number of evaluations over the past few years, and (2) a more specific examination of a number of benchmark indicators based on the analysis of the business model. The Evaluation will seek to balance the vision that the Global Fund was founded as a unique institution in the arena of development assistance (and therefore could be argued to be not comparable to any institution) with the fact that there are various aspects of the Global Fund architecture, governance structure, and goals that are similar to those of other institutions.

A recent study of global health partnerships[14] describes the growing number of actors (e.g., United Nations; other multilateral, bilateral, private foundations; and other global partnerships and networks) involved in providing financial, technical, and other support for health services. The study identifies some 40 global health partnerships in addition to those listed in the RFP for the Five-Year Evaluation. Although this study lists a large number of institutions and partnerships, we believe that a limited number of these will prove critical to Global Fund benchmarking (e.g., the World Bank, UNAIDS, WHO, GAVI Alliance, PEPFAR, Clinton Foundation, Gates Foundation, African Development Bank).

Several other studies of this emerging phenomenon have been conducted, and the Evaluation will examine this literature in detail to finalize the list of organizations that will serve as benchmarks. Based on an initial review of efforts made by the Global Fund,[15] potential benchmarking indicators may include such things as geographic coverage, strategic purposes and framework, growth trajectory, sources of financing, main delivery products and instruments, results of evaluations and their credibility (i.e., independence), characteristics of governance; budget compared with staffing at different levels, cost of specific operations (i.e., Board, Secretariat, LFAs), outputs (e.g., proposals, grants), and beneficiaries.

The Evaluation will establish a number of key benchmarking indicators, including some of the Key Corporate Indicators adopted for 2006 and 2007, to arrive at a set of 10 to 15 indicators that will be (1) used for comparison with organizations deemed comparable, and (2) to the extent possible, retroactively applied to the Global Fund results of previous years.

[14] Harmer, A. 2005. Global health partnership as new players in the global health arena: An international relations perspective. Antwerp, Belgium: Institute of Tropical Medicine.

[15] Bezanson, K. A. 2005. A situation assessment of the Global Fund. Geneva, Switzerland: Global Fund.
Global Fund Working Group. 2006. Challenges and opportunities for the new Executive Director of the Global Fund: Seven essential tasks. Report of the Global Fund Working Group. Washington, DC: Center for Global Development.

RESOURCE MOBILIZATION

Initial Hypotheses—Resource Mobilization	
• The Global Fund can continue to attract substantial, additional resources in the foreseeable future in the fight against the three diseases. • The limited success of the Global Fund in private sector resource mobilization reflects unrealistic expectations, a failure on the part of the Global Fund to develop appropriate instruments and policies to work with the private sector, and shortcomings in clarity and communication of benefits accruing to the private sector from contributing to the Global Fund. • The low level of private sector engagement with the Global Fund financed activities at country level is a function of the structural characteristic of Country Coordinating Mechanisms (CCMs).	
SA1 Study Questions	**Method of data collection/Tools**
What are traditional donor policies and preferences in relation to the purposes of the Global Fund? To what extent is the Global Fund aware of these and how effective has it been in relating to them in resource mobilization? What are the components of the Global Fund business model, structures and practices that are attractive to and that encourage the participation and contributions of the private sector? What are the components that function in the opposite direction? What are the indicators that the Global Fund is strengthening its strategic capabilities to mobilize resources from nontraditional, notably private sources?	Private sector and in-country resource mobilization study OD assessment—Work flow analysis of resource mobilization activities Desk review and interviews at the Global Fund level Benchmarking study Critical review of new and emerging financing modalities for development

An analysis of documents and decisions at Board level demonstrates a dominant focus on issues involving (1) the appropriate size of the Global Fund, (2) the forecasting, mobilization, and tracking of financial resources throughout the brief existence of the Global Fund, and (3) the allocation of resources to country programs and diseases. The Evaluation will examine whether, as some analysts argue, the Global Fund's financial trajectory is a matter of serious concern because the amounts raised have been (1) less than anticipated and (2) provided almost entirely from traditional international donor agencies, or whether, as others argue, the question is one of the appropriate size and complementarity of the Global Fund's financing.

Data will be collected on a number of important issues involving the mobilization of financial resources, including (1) the current state of forecasting methods and their accuracy, (2) the evolution of funding levels (both projected and actual) since 2002 by specific source (e.g., Organization for Economic Cooperation and Development (OECD), non-OECD, foundation, private sector), and (3) the current status and potential for future growth of the Global Fund.

Analysis of existing reports and interviews with Global Fund staff members will also be used to determine the current status and future prospects of the Global Fund's resource mobilization strategy. Specifically, the Five-Year Evaluation will examine (1) the level of resources and leadership devoted to resource mobilization within the Secretariat and at country level, (2) the status of Global Fund positioning vis-à-vis innovative financing proposals, and (3) partners' perceptions of barriers in contributing to Global Fund.

Of particular interest during the Evaluation will be the Global Fund's success in reaching out to attract private and in-country sources of funding to supplement its own grant monies, as well as its ability to leverage these and other resources to the greatest effect. One expected effect of the Global Fund's public-private partnership model at the global level was to catalyze the mobilization of additional resources from the private sector at the country level. Previous

assessments have largely determined that this effect has not been manifested to the extent desired.[16] Currently, contributions from private foundations represent about 3 percent of Global Fund funding, while contributions from the private sector represent only 0.04 percent.

Through SA2, the 16 CPAs will assess the extent of private sector resource mobilization, the process of engaging the private sector, and barriers and facilitators to private sector resource mobilization. In particular, Module 2 of the CPA Tool will examine the financial contributions made by the private sector, and determine the political and policy dynamics with regard to in-kind contributions. It will also try to determine the level of awareness about the Global Fund within the private sector, and whether there is additional opportunity for in-country resource mobilization (in-kind or financial) from the private sector.

The Five-Year Evaluation will focus in greater depth in four countries through a targeted study that addresses (1) the potential benefits of private sector contributions to the Global Fund, (2) the amounts and nature (current and potential) of private sector contributions, and (3) outstanding issues in implementing an in-country strategy (e.g., role, communication).

IV. Study Area 2—Effectiveness of the Global Fund Partner Environment

SA2 principally evaluates the Global Fund partnership environment and its implications for grant performance—focusing on the partnership system, national ownership, technical assistance, and systems effects. Country Partnership Assessment tools have been developed in a modular format to facilitate an examination of relationships between CCMs, Principal Recipients, Sub-Recipients, and between these Global Fund entities and other government, civil society, and development actors at the national and global levels.

Data collection from SA1 will support specific evaluation areas for SA2, and vice versa. These data collection activities will be conducted in a phased, interactive process with analysis and synthesis activities, as outlined in Table 2.

Outlined below are the key foci of SA2, organized by key hypotheses, study questions, and planned tools and methods.

[16] Bezanson (2005). Kruse, S. E. 2006. The Global Fund Five-Year Evaluation: Overarching Questions: Report from a Stakeholder Consultation. Centre for Health and Social Development, Oslo.

Global and Country Partner System

Initial Hypotheses—Global and Country Partner System	
• The Global Fund model has facilitated effective and new partnerships between key country-level stakeholders (government, NGO/CSO, development partners, private sector). • Variation and weaknesses in the operationalization of the partnership model can be identified at the global level for each of the three diseases and has hampered the effectiveness of the Global Fund's work at country level. • Performance and efficiency gains of Global Fund strategies and in-country activities can be realized through improvements of the partnership system. • The more diverse the participation in country-level partnerships, the greater is the perceived political legitimacy. On the other hand, more diverse participation often leads to multiple and divergent expectations that the Global Fund cannot meet. • The effectiveness of the work of the Global Fund have been severely hampered by weak partnership arrangements between the Global Fund and other major global organizations such as UNAIDS, WHO, and the World Bank. There are currently indications that this is changing in positive directions. • Successful partnership models can be defined by common characteristics (e.g., types of partners involved in specific processes, organizational capacities, clearly and commonly defined roles of partners) that can be promoted or supported by the Global Fund.	
SA2 Study Questions	**Method of data collection/Tools**
To what extent do the Global Fund business model, structures, and practices encourage and facilitate partners' involvement (public, private, and civil society) at different levels? Have efforts to encourage and facilitate engagement had a tangible effect? What is the range of understanding for what a successful Global Fund partnership model represents to its stakeholders at the global level? Do global and country partners perceive the Global Fund as a model of genuine partnership? What support is there for strategic directions being considered by the Fund to strengthen its partnership model?	• Document analysis of stakeholder consultations • Additional interviews with stakeholders at the global level • CPA module 3: Harmonization • SA2 interviews with Global Stakeholders • Secretariat interviews
To what extent do the Global Fund business model, structures and practices encourage and facilitate partners' involvement (public, private, and civil society) at different stages of the grant cycle? Have efforts to encourage and facilitate engagement had a tangible effect? Are Global Fund-supported national programs sufficiently inclusive of governments, public/private partnerships, NGOs, and civil society initiatives? To what extent has the Global Fund principle of public-private partnership been operationalized in countries? What factors influence the participation or lack of participation of the private sector at country level? Where, why, and how has the Global Fund been effective in mobilizing civil society in the response to the three diseases? Are nongovernmental groups actively engaged in grant oversight and implementation? What factors influence the level and quality of civil society engagement, especially people living with/affected by the diseases HIV/AIDS? To what extent has the principle of acting as a "financial instrument" affected the parallel principle of supporting inclusive national programs through its funding decisions?	CPA modules: 2: Private Sector Resource Mobilization 3: Harmonization 4: In-country partnerships 5: Technical and Managerial Assistance 6: Country ownership and alignment 7: Performance-based funding Document review

As a basic tenet of its structure, the Global Fund operates on a partnership system, from the global to the country level, where it relies heavily on country structures and development partners to fulfill its particular mission. The country partnership system is the principal focus of SA2. This Evaluation will determine how well partnerships are supporting the Global Fund operational model, and vice versa, and identify areas for improvement or change.

The organization, partnership dynamics, and degree of representation by government entities, international organizations, the private sector, and CSOs are thought to vary greatly by country and disease area. The first step to determining how well partnerships support the Global Fund operational model is to characterize the types of partnership models, and the key components of

each. Previous case studies show that efforts of the different partners are unequally distributed around a range of issues that are critical to in-country operations, and ultimately, grant success. The Evaluation Team will map and analyze how various partners understand their roles within these partnerships in different countries and for different disease areas, and what is expected of them; how they implement these roles; and what actions/ resources are needed to support role performance. This will be examined primarily through interviews with representatives of multilateral and bilateral organizations and international NGOs at the country level, and through interviews with the Secretariat and partners at the global level.

The 16 CPAs will map and analyze how various partners understand their roles and how they actually participate in CCMs, grant implementation, and grant oversight. In particular, Module 4 of the CPA Tool will update the progress on CCM performance by re-applying key pieces of the 2005 CCM Baseline Assessment tool. The representation and active participation of CSOs in CCMs, grant implementation, and grant oversight will also be assessed through Module 4. A major focus will be to map and describe the sub-recipient network, particularly their roles in grant implementation and performance monitoring. The effectiveness of partnerships structured around specific key processes, such as grant workplan development, indicator selection for monitoring and evaluation (M&E), as well as identification and prioritization of technical assistance needs will be assessed to identify where efficiency gains through partnership improvement might be found. Communication channels among key Global Fund structures in-country and at the Secretariat will also be assessed as a potential aspect of partnership improvement.

Module 3 of the CPA tool will examine the level and quality of partnership that the Global Fund has with other development partners, at both the global and country level, through the lens of harmonization. Module 2 will look more specifically at private sector partners through the lens of resource mobilization.

Technical Assistance

Initial Hypotheses—Technical Assistance	
• Delivery of TA to countries remains unequal between the three diseases, between countries, and phases of the proposal and grant cycle. • The requirements of the Global Fund business model have limited the attention and priority it gave to assuring the timely availability of qualified technical assistance; and consequently affected the quality and effectiveness of GF funded activities. • The effectiveness of TA delivery by the partnership system can be improved notably through: (i) The strength of global partnerships associated with each of the three diseases; (ii) Increasing disbursement of TA budgets allocated through Global Fund grants. • When TA systems are in place to ensure the timely availability of qualified technical assistance for Global Fund programs, gains in local capacity building can be demonstrated.	
SA2 Study Questions	**Method of data collection/Tools**
From the perspective of stakeholders, what systems and procedures are in place for providing predictable and timely managerial and technical support to countries? What have been the strengths and weaknesses of these systems in providing support to grantees? What have been the impediments to the use of technical assistance? What have been the quality, availability, and cost of technical assistance? What role has the Global Fund played vis-à-vis its technical partners to enable the provision of needed technical assistance? To what extent have partners at the international level acted to facilitate grant performance through their country-based staff and other resources?	CPA Modules 5: Technical and Managerial Assistance 7: Performance-based Funding (PBF) Interviews with Secretariat: FPMs, M&E unit, OPCS

SA2 will focus on how the partnership system functions with relation to the identification, prioritization, and provision of technical and managerial assistance. International discussions have concluded that the need for scaled-up technical assistance to accompany scaled-up financial resources was vastly underestimated.[17] The Global Fund and its stakeholders set up the Early Alert and Response System (EARS) in 2006 in recognition of the urgent need to rapidly identify grants facing challenges early in the cycle, and to be able to take rapid corrective action, including the mobilization of required technical and managerial support. The U.S. government, notably, earmarked $12 million specifically for "bottleneck technical assistance" requested through EARS to speed up Global Fund grant implementation, and trained consultants to provide the technical assistance. EARS is meant to be a country-driven technical assistance request system, coordinated by the Global Fund and its partners. However, the capacity for Global Fund programs to identify and specify technical assistance needs and to coordinate requests may be limited in some countries, and affected by the effectiveness of communication channels within and outside of countries. The result is that there is still little systematic information on the technical assistance needs that countries have or on how technical assistance has been provided.

The 16 CPAs will look at the types and amount of technical assistance requested and used during all stages of the grant cycle, and the partners that provided the human and financial resources to mobilize the requested technical assistance. Technical assistance budgeted for in grants will be compared with actual technical assistance expenditures, and barriers to accessing technical assistance will identified, as will the effectiveness and quality of the technical assistance provided. These analyses will be done according to the type of partner needing technical assistance, the type of technical assistance needed, and by the three diseases. The CCM/PR capacity to identify and request technical assistance needs will be considered in relation to the defined and understood roles of each, the intended compared with actual role of the EARS, and the need for better global coordination to provide Global Fund-related technical assistance. Access to technical assistance by CSOs and the influence of this on their participation in Global Fund programs will also be examined.

In particular, Module 5 of the CPA Tool will look at (1) the roles and responsibilities of different partners in identifying and mobilizing technical assistance, (2) whether current technical assistance systems are meeting grant implementation needs, (3) how technical assistance systems are functioning, (4) the quality of technical assistance, and (5) whether technical assistance is contributing to local capacity. At the global level, the SA2 team will interview key partners (e.g., UNAIDS, Stop TB, RBM, TBCAP) in coordinating, funding, and providing technical assistance for the three disease areas and for capacity building and other key grant performance areas (e.g., SCMS, RPM+, AIHA, LMS, MEASURE, CAPACITY).

[17] Global Fund Working Group. 2006. Challenges and opportunities for the new Executive Director of the Global Fund: Seven essential tasks. Report of the Global Fund Working Group. Washington, DC: Center for Global Development. p. 11.

Country Ownership

Initial Hypotheses—Country ownership	
• The principle of country ownership, a precondition of performance-based funding, has generally allowed countries to set achievable targets, be recognized for grant performance at Phase II, develop capacity of national disease control programs, increased participation of local constituencies, and supported alignment with national systems. • The understanding and operationalization of the country ownership principle is also subject to variation and to a possible disconnect between rhetoric and reality in some areas of country operations. • The tension between the need for global standardization of results and local country creativity to address local opportunities and bottlenecks, if not balanced, can undermine the principle of country ownership • Transaction costs to maintain donor harmonization and alignment increase as volume of aid is scaled up, and require more investment in staff time and resources that strengthen coordination activities.	
SA2 Study Questions	**Method of data collection/Tools**
To what extent do current Global Fund policies and procedures enable alignment with national systems and programs, and respect country-led formulation and implementation? To what extent have Global Fund approaches to alignment furthered national systems and programs that meet the needs of those affected by AIDS, tuberculosis, and malaria? To what extent has the Global Fund demonstrated flexibility in aligning with/adapting to country systems? To what extent have Global Fund-supported activities aligned with and built on national strategies and programs?	CPA Modules: 4: In-country partnerships 6: Country ownership and alignment 7: PBF 8: Procurement Index of alignment based on the extent of alignment for each of the four systems (for each disease area)
What has been the role and effect, both positive and negative, of the Global Fund as a new actor in the donor landscape for the three diseases at the country and global level? How do Global Fund principles and practices measure up to donor harmonization agreements? To what extent has the Global Fund responded to and adapted to improve donor harmonization?	CPA Modules 3: Harmonization 4: In-country partnerships Index of harmonization based on the extent of harmonization for each of the four systems. Gap analysis done by countries

One of the Global Fund's guiding principles is to support programs that reflect country ownership. Relating to country ownership is the idea that Global Fund grants should align with national health systems, existing M&E reporting, and procurement and financial management systems.

Strong country ownership is meant to increase accountability, which is a prerequisite for performance-based funding. The Global Fund aims to increase country ownership by encouraging participation of local representatives, civil society, and the private sector. It is felt that by having a country set its own intervention priorities, indicators, and targets, as well as design and implement its own projects, there will be greater ownership over Global Fund grants and therefore programs will be effective and sustainable.

SA2 will examine the relationship between country ownership, functioning of the PBF model, and overall grant performance. At the country level, the 16 CPAs will examine factors that either facilitate or act as barriers to country ownership, especially alignment with and adaptation to existing national cycles and systems. In particular, Module 6 of the CPA tool will define country ownership from the perspective of local stakeholders and partners; assess the extent of country ownership and alignment with regard to the three national disease control programs, procurement, financial reporting and auditing, and M&E; and gather observations on ownership, alignment and the role of the Global Fund model from key stakeholders. Alignment will be scaled to allow an index of alignment to be calculated for each country, for key processes across countries, and for each of the three diseases.

Information from other modules, such as Module 4, Partnership Systems, and Module 3, Harmonization, will provide additional insight into the actual roles and responsibilities of country programs and organizations, allowing triangulation of the assessment of the degree of country ownership.

Systems Effects

Initial Hypotheses—Systems Effects	

• Global Fund grants have largely added substantial additional resources, rather than displaced existing ones, against the fight against the three diseases.[18]
• Positive system effects of the Global Fund strategies and activities can be identified in terms of the development of new forms of partnerships, involving a larger number of stakeholders, through the CCM structure and the network of PRs and SRs.
• Not unlike other Global Health Partnerships, the Global Fund has had less than optimal results in terms of alignment, harmonization, and the efficient use of its resources in country. Notably:
  o The unprecedented start up and rapid trajectory of the Global Fund established largely stand-alone systems which continue to impede the use and strengthening of existing procedures and systems for monitoring, reporting, procurement, disbursement, and auditing.
  o The Global Fund has only recently strengthened support for existing coordination mechanisms among donors to streamline procedures for planning, procurement, supervision, M&E, disbursement, reporting, and auditing.
  o Global Fund programs have to date yielded highly variable results in contributing to more efficient use of resources, particularly with regard to achieving favorable pricing for drugs and supplies.
• Achievements of the Global Fund toward sustainability of country programs can be shown in terms of local capacity building, particularly for planning, budgeting, financial management, and M&E; they remain to be tested in terms of gains in political will; and have either not been examined, or will prove to be highly limited in terms of financial sustainability.	

SA2 Study Questions	**Method of data collection/Tools**
What are the wider effects, both intended and unintended, that the Global Fund has had on country health systems, including effects on sector financing (e.g., fungibility of other funding sources) and on human resource capacity?	CPA Modules: 2: Private sector resource mobilization 3: Harmonization 4: In-country partnerships 5: Technical and Managerial Assistance 6: Country ownership and alignment 7: PBF 8: Procurement Budget analysis of national disease programs

A number of undesirable country system effects are commonly attributed to new Global Health Partnerships,[19] notably in terms of creation of duplicative processes and "reverticalization." Coordination mechanisms with other donors, which bear heavily on national systems when absent, have been lacking for some years and only recently strengthened in Global Fund operations. Understanding systems' effects is therefore a high priority for the Global Fund and its partners, as strengthened systems' effects can enhance and speed the movement toward positive impact of Global Fund grants. The Global Fund has itself identified four key aspects of systems' effects that allow M&E of the progress toward the Global Fund's purpose and core principles: additionality; development and effectiveness of partnerships, including public-private partnerships; CCM functioning and donor harmonization; and sustainability of Global Fund-supported programs (country-level sustainability).

[18] This hypothesis will require synthesis between SA 2 and SA 3.

[19] McKinsey & Company. Global Health Partnerships: Assessing Country Consequences. Bill and Melinda Gates Foundation. Buse, et al. 2007.

At the country level, additionality is interpreted to mean that the Global Fund must demonstrate that it is a true net addition to interventions against the three diseases. Partnership effectiveness, a major focus for SA2, has four dimensions with regard to systems effects: CCM representation; participation and communication; governance and management; and harmonization and alignment. Sustainability for country programs is defined as the potential for programs and activities to continue beyond the end of Global Fund funding, incorporating three dimensions of sustainability: financial, technical, and political commitment.

SA2 will assess many of the elements of systems' effects and the multiple dimensions of the elements. The task of the evaluation is to complement the body of analysis on the system effects of the Global Fund being carried out by SWEF, and USAID's Health Systems 20/20 project. Study Area 2 will share information and coordinate with those groups, synthesize lessons learned to date and complement them with its own findings.

Specifically, the 16 CPAs will examine in detail the ways in which the Global Fund partnership system has been operationalized in country. Module 4 of the CPA tool looks in depth at CCM composition and functioning; at partner communications and participation in key functions related to Global Fund programs; and at how the Global Fund operates at the country level through the CCM, PRs, and SRs. Module 3 examines harmonization with other development partners at the country level, while Module 6 assesses country ownership and alignment. Both harmonization and alignment are assessed according to the key processes of planning, financial management, procurement, M&E, disbursement, reporting, and auditing. Sustainability will be addressed through budget analyses of the three national disease programs, pre- and post-Global Fund grants, which will also look at the balance of recurrent costs in the budgets, and at the relative investment in preventive compared with curative interventions. Local capacity building will be assessed through Module 5, Technical and Managerial Assistance, and Module 6, Country Ownership and Alignment, and Module 7, Performance-based Funding, determine the extent of external inputs used at key stages of Global Fund grant programming, as opposed to local. Module 8, Procurement, looks in-depth at procedures, prices, and past procurements for Global Fund grants, and dissects the efficiency of different sub-processes in procurement systems.

Performance-Based Funding

Initial Hypotheses—Performance-Based Funding	
• PBF, in the context of country ownership, has allowed countries to set achievable targets, be recognized for grant performance at Phase II renewal time, and develop their capacity to develop management responses to performance gaps. • The Five-Year Evaluation will also have the objective of evaluating: (1) the sources, quality, and regularity of the information collected to monitor program performance; (2) the alignment of indicators with recognized standards and intervention areas (validity); (3) the level of achievements measured (i.e., outputs); and (4) the level of effort required of the Global Fund and in-country partner to implement PBF.	
SAs1/2 Study Questions	**Method of data collection/Tools**
To what extent has the Global Fund effectively operationalized and used the PBF system? What are its strengths and weaknesses? To what extent are the data used to judge performance valid and reliable? What are the influence and effects of PBF in (1) ensuring responsive country program implementation; and (2) influencing partner policy and approaches? To what extent do Global Fund policies and procedures ensure that quality services, based on recognized international and national standards, are supported and implemented through Global Fund grants?	• Review of M&E of grant performance • OD Assessment • LFA & GAO studies review • Country Partnership Assessment • (Online "mirror" survey)
How well are grant performance indicators related to intervention areas? To what extent is the data used to judge performance valid and reliable? How well has the performance monitoring system performed in the past: timeliness, accuracy, gaps? To what extent do Global Fund grant M&E plans use indicators based on recognized international and national standards of service quality?	CPA Modules: 4: Partnerships in-country 8: PBF • Score for grant M&E plans according to the relevance of indicators • Score for grant M&E plans according to "attention to service quality" • Quantified level of effort provided for M&E requirements for identifying, prioritizing or mobilizing technical assistance; and for providing direction to national disease program plans and strategies, compared with LOE inputs from in-country partners and external TA • Number of conditions precedent (CPs) for each grant and country, correlated with the reasons for the CP to determine linkages with grant performance ratings • Matrix of M&E requirements and cycles of different partners, including the Global Fund for each country

The PBF implementation modality of the Global Fund's operations is central to its operations, relates to country ownership, and involves equally Secretariat and in-country entities. It is therefore a critical crosscutting issue that does not rest easily in one SA.

Data collection methods are differentiated by SA. Analysis, however, cannot be considered an SA1 or SA2 question in isolation. The Evaluation will use existing documentation produced by the Global Fund (e.g., the Operational Policy Manual, the Update on New Measures of Performance and Early Warning System, the Update on the Global Fund Information Management Platform; the Monitoring and Evaluation Toolkit) and information charting disbursements to country programs based on their grant scorecards and measured levels of performance.

The Evaluation will also note the problems identified in the GAO study with regard to the sources of information used in making periodic disbursement decisions during phase 1 and

determining whether to renew grants during phase 2, including (1) the quality and consistency (within and across countries) of both physical and financial data in the progress reports; (2) weaknesses in the LFA's ability to verify program (as opposed to financial) performance; and (3) insufficient contextual information during phase 1.[20] While these problems will be examined by the SA2 country assessment teams, the SA1 team will examine GAO's findings 2 years after its analysis. The Evaluation team will then synthesize these findings across SA1 (Secretariat) and SA2 (country) levels.

With respect to the analysis and use of the information, the GAO study provides approaches that will be adapted to review (1) the basis for and documentation of PBF as well as any improvements introduced over the five rounds; and (2) the modalities for identifying factors affecting grant performance (particularly at an early stage).[21] The Evaluation will also try to identify countries where PBF has been more/less successful as potential case studies for determining both the necessary conditions for implementation and the needs for flexibility during implementation.[22]

The Evaluation will examine the results generated by PBF within the wider context of other, ongoing M&E efforts. This will involve (1) a description of the roles and responsibilities of Global Fund units and partners as well as guidelines for implementing PBF at the HQ and country level; (2) interagency collaboration on the development and implementation of common indicators and data collection instruments; and (3) efforts to identify weaknesses and provide guidance to strengthen information systems in general and PBF-related systems in particular.

Module 7 of the CPA Tool, Performance-based Funding, looks at how partnerships come into play for indicator selection and target setting; the determination and setting of conditions precedent; and managing the PBF model. This module looks in particular at relationships between the country and the Secretariat around these critical functions.

V. Synthesis of the Three Study Areas

The final synthesis report of the Five-Year Evaluation must link the findings related to impact, the Global Fund's Partnership Model, and Organizational Development and Management issues within the Global Fund organization. The final report will also take into consideration the management response of the Board following submission of the SA1 and SA2 reports. It will be grounded in a sound examination of the historical context in which relatively new global health initiatives have emerged. Its core focus will be to answer the following questions:[23]

a. After 5 years, what has been the overall reduction on the burden of AIDS, tuberculosis, and malaria and what is the Global Fund's contribution to that reduction?

[20] GAO, The Global Fund to Fight AIDS, TB and Malaria Is Responding to Challenges but Needs Better Information and Documentation for Performance-Based Funding (June 2005), pp. 25-26.
[21] Ibid., pp. 41-44.
[22] Bezanson points out that some 85 percent of first-round grants will be renewed and asks whether this is reasonable (given performance of other projects funded by other donors) or whether a performance criterion is being transformed into an entitlement one (Bezanson, 2007).
[23] TERG. Technical Background Document on the Scale and Scope of the Five-Year Evaluation of the Global Fund to fight AIDS, Tuberculosis and Malaria. The Global Fund Five-Year Evaluation. October 2006. http://www.theglobalfund.org/en/files/terg/14_tech_report.pdf

b. What has been the role of in-country partnerships in achieving the level of results observed, and their effect on in-country systems?

c. Has the Global Fund itself been effective and efficient in conducting its operations, in respecting its core principles, and how has this influenced the chain of results from in-country operations to disease impact?

The integration of these questions will be guided by the assessment of how each level of the Global Fund partnership system has contributed to four simple inter-related working hypotheses, which stem from its business model: (1) that it would attract additional resources; (2) that it would operate through a partnership system from global to country levels; (3) that it would manage and distribute resources efficiently and with accountability through country ownership and PBF; and (4) that it would demonstrate a significant contribution to the fight against AIDS, tuberculosis, and malaria.

The generation of findings compared with initial hypotheses and the development of new hypotheses, lessons learned, and recommendations will proceed in stages.

SA1, most directly linked to the third question above, will complete data collection first. Findings specific to Global Fund operations, governance, and core principles will be generated based on this first stage data collection, organized around the hypotheses stated in this inception report. The data collection tools and analyses will emphasize the identification of improvements in quality of flows, processes, relations, and systems. The Global Fund has proven to be a rapidly evolving structure, and the Evaluation will focus on assessing direction, risk, and options for improvement. Recommendations that can be acted upon by the Global Fund will be formulated based on these findings (e.g., recommendations on feasibility/viability of strategic governance directions given the overall partnership environment; or recommendations on specific work flows, human resources, and organizational capacity issues to improve organizational performance for specified areas of management).

SA2 data collection overlaps with SA1, and will be only partially complete by August 2007. Even so, by the completion of SA1, SA2 findings from those countries completed will be analyzed in the context of existing data on grant performance (e.g., grant performance ratings; performance against targets and indicators;) in order to draw preliminary conclusions about the relationships between grant performance, dynamics of the country partnership model, and issues related to organizational effectiveness and efficiency of the Global Fund. This initial synthesis will take place through an internal Study Areas 1 and 2 Synthesis Workshop held from 7 to 10 August 2007, in preparation for the submission of a report that can be used by the TERG to share preliminary findings with the Global Fund Board at its November 2007 meeting. These conclusions will be revisited when all 16 country partnership assessments are completed and the final SA2 report is submitted in February 2008. At this stage, additional and more precise hypotheses will be formulated and serve to inform the grant performance modeling planned for 2008.

Impact evaluation is the focus of SA3, which will complete its data collection activities after SA2. This will allow SA1 and SA2 to propose variables to be considered in linking Global Fund operations and grant performance with observed impact. Successful Global Fund grant

performance is hypothesized to have an impact upon the prevalence and incidence of the three diseases. This association has been put in question by recent commentators.[24] It deserves to be tested and examined against the benefits of performance-based funding on national capacity building.

Further analysis and links to SA3 will depend on overall findings and new hypotheses that emerge. On a rolling basis, country reports from SA2 will be available to the SA3 team. When SA3 is concluded, impact findings from the 11 countries that overlap with SA2 will be analyzed against the recommendations and findings made in the final SA1/SA2 report. The Evaluation Management Team will organize a joint SA1, SA2, and SA3 analysis team to carry out this work, and will lead its synthesis.

During the Final Synthesis phase, the Evaluation Team will bring together data collected by all three SAs to examine whether there have been results at scale, and what are the determinants of the results of scale. Different disaggregation of impact study findings and grant performance outcomes will be correlated and linked quantitatively and qualitatively to findings at the country, secretariat, and global levels. As the potential for direct attribution decreases with the level of assessment, attributing causality between findings at different levels of assessment will be dealt with caution. Analysis will relate different components of evaluation together and focus on plausibility of association rather than demonstration of causation.

[24] Radelet, S.,and Siddiqi B.. 2007. Global Fund grant programmes: An analysis of evaluation scores. *Lancet, 369*, 1807–13.