



Independent observer  
of the Global Fund

## GLOBAL FUND REPORTS PROGRESS ON INCREASING AID EFFECTIVENESS

The Global Fund says that six of its 13 aid effectiveness targets have been met, that one target has been nearly met, and that three others are within reach. This information is contained in “The Global Fund 2010: Innovation and Impact,” a report on results released by the Global Fund on 8 March 2010.

The 2005 Paris Declaration on Aid Effectiveness, which the Global Fund has endorsed, outlines five key principles: (1) country ownership of program design and implementation; (2) alignment with country priorities and systems; (3) harmonisation of donor efforts; (4) managing for results and (5) mutual accountability.

The Global Fund says that it implemented three actions in 2009 to boost aid effectiveness. First, the Fund undertook to monitor aid effectiveness in its overall grant portfolio on an annual basis. Second, the Fund instituted a system of providing feedback and support to CCMs and principal recipients to ensure aid effectiveness is incorporated into grant management. Finally, the Fund integrated aid effectiveness reviews into its assessment of the performance of individual grants during the Phase 2 renewal process.

According to the Global Fund, since Round 8, proposal forms and guidelines have provided guidance on how to improve the alignment of funded activities. In addition, the Technical Review Panel (TRP) uses aid effectiveness monitoring results to guide its review of grant proposals.

The Global Fund established its aid effectiveness targets for 2010 in consultation with the Organization for Economic Cooperation and Development (OECD). Results are provided in the table below.

Table: The Global Fund aid effectiveness scorecard <sup>1</sup>

Paris Declaration principle	Indicator	2005 result	2008 result	2010 result
Ownership and alignment	Aid recorded in national budgets	15%	29%	85%
	Grants aligned with country cycles	62%	75%	90%
	Aid using public financial management systems	39%	42%	59%
Aid is predictable and untied	Aid using national procurement systems	33%	87%	55%
	Countries with parallel implementation units <sup>2</sup>	16%	0%	5%
	Ratio of actual versus expected disbursements	90%	106%	95%
Harmonisation with partners	Aid recorded as scheduled	16%	29%	60%
	Untied aid	100%	100%	100%
	Aid provided in support for program-based approaches	74%	79%	66%
Managing for results and accountability	Joint missions with other donors	15%	14%	40%
	Joint analytic reports with other donors	50%	33%	50%
	Grants with transparent and monitorable performance frameworks	100%	100%	100%
	Grants aligned to national M&E systems	73%	84%	90%

<sup>1</sup> Source: Table 3.1 in “The Global Fund 2010: Innovation and Impact.” 2005 results are based on 32 surveyed countries, and 2008 results are based on 54 surveyed countries.

<sup>2</sup> For this indicator, the target calls for reducing the number of countries with parallel implementation units.

The Global Fund acknowledges that further improvements are needed to reach three targets towards which progress has been limited, namely joint missions with other donors, recording aid in national budgets and recording aid as scheduled.

The Global Fund says that it introduced some new policies in 2009 to improve aid effectiveness at the country level. For example, with respect to programme salaries, the Fund implemented a coordinated approach to compensate health workers and other in-country programme staff. Countries are now asked to provide evidence in their proposals about how salaries are harmonised with national levels or an interagency framework.

In addition, a framework has been developed to encourage the alignment of Global Fund financing with existing national cycles, particularly for financial management and results reporting. The framework also supports the increased use of country systems for procurement, financial management and M&E, where these are of sufficient quality.

Copies of “The Global Fund 2010: Innovation and Impact” are available at [www.theglobalfund.org/en/replenishment/hague/documents](http://www.theglobalfund.org/en/replenishment/hague/documents).

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