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Global Fund Is Reviewing Proposed New Key Performance Indicators

A draft of a new Corporate Key Performance Indicator (KPI) Framework 2013–2016 was presented to the Global Fund Board for review and discussion at the 29th Board meeting just concluded in Sri Lanka.

The KPI framework is meant to help the Board evaluate grant and Secretariat performance at a high level. Since 2004, when the first framework was developed, the Global Fund has occasionally altered some of the indicators and added some new ones. Following an independent review of the KPI framework in 2011, the Board decided that a revised framework should be developed.

Because of the turmoil of late 2011 and the rapid sequential changes in 2012, it was not until 2013 that the process was formally begun. In February 2013, the Board Coordinating Group asked the chairs of three Board committees and the chair of the Technical Evaluation Reference Group to work with the Secretariat to develop a revised framework.

The draft presented to the Board contains 15 indicators, down from 24 in the existing KPI framework.

The following five principles were used to guide the development of the revised KP framework.

- Align the framework with the Global Fund Strategy 2012–2016, so that the indicators proposed clearly measure the goals, objectives and targets of the Strategy.
- Define a clear hierarchy of indicators. (It was felt that too many indicators in the existing framework were at an operational level and that too few were at a strategic level.)
- Reduce the number of KPIs and increase their focus. (It was felt that the number of indicators in the existing framework had gotten too high as a result of a desire to satisfy the many different interest groups. It was also felt that having too many indicators made it hard to focus on the most important ones.)

- Ensure that the indicators are visible and measurable.
- Set the framework for the lifetime of the Strategy. (This principle is designed to improve the ability to monitor medium- and long-term priorities and reduce the tendency to make changes on an ad hoc or annual basis.)

The following table lists the proposed corporate KPIs and the specific indicators proposed to track performance.

Table: List of proposed corporate KPIs, plus specific indicators

No.	KPI	Specific indicators
1	Performance against strategic goals	a) Estimated number of lives saved b) Estimated number of infections prevented
2	Performance against strategic service delivery targets	a) Number of people alive on ARV b) Number of TB cases treated with DOTS c) Number of LLINs distributed
3	Efficiency of Global Fund investment decisions	Estimated increase in allocative efficiency in supported projects
4	Access to funding	a) Time from concept note submission to GAC approval b) Time from GAC approval to grant signing c) Time from grant signing to first cash transfer
5	NFM implementation	Amount of funding for transition to the NFM committed to meet the needs of country demands
6	Establish foundations for NFM implementation	Delivery of new processes and systems for finance, planning, procurement and grant management
7	Quality of services delivered for key interventions	a) ARV retention rate at 12 months b) Smear positive TB treatment success rate c) Percentage of individuals who slept under an ITN the previous night
8	Effective operational risk management	Portfolio Risk Index
9	Value for money	Savings gained through leveraging of Global Fund purchases
10	Commitment forecast	Percentage of forecast commitments made to schedule
11	Human rights protection	Human Rights Index
12	Resource mobilisation	a) Actual pledges as percent of replenishment target (2014-2015 only) b) Pledge conversion rate
13	Optimisation of cash management	Actual cash balance vs yearly target cash balance
14	Efficiency of grant management operations	Opex rate as a percent of grants under management benchmarked against comparable organizations
15	Quality of management and leadership	Management and leadership index

KPIs #5 and #6, both of which relate to the implementation of the new funding model, are temporary. It is not clear what the indicator for KPI #5 means.

Regarding KPI #8, the one on risk management, for which the indicator is “Portfolio Risk Index,” the paper presented to the Board explained that the index will be based on a scoring system applied to grant-level risk. Aidspan understands that the Secretariat will develop this index.

The draft framework said that more work remains to be done with respect to the methodology to measure KPIs #3, #8, #11 and #15. For example, for KPI #11, the one on human rights protection, the paper presented to the Board said that although strong support has been expressed by stakeholders for the inclusion of an indicator monitoring performance on human rights protection, these same stakeholders

recognise the difficulties in coming up with measurable indicators. The current plan is to come up with a composite index of 3–5 indicators of human rights performance.

The Board coordinating group has requested that that an indicator be added that would measure the satisfaction of principal recipients with key aspects of how the Global Fund operates.

The draft framework was presented at a briefing session the day before the Board meeting, and during the Board meeting itself, for further discussion. Concerns were raised by several constituencies about the process that has been used to develop the indicators and about the proposed indicators themselves. Some people attending the Board meeting said that the consultations on the KPIs had not been sufficiently broad.

Simon Bland, the Board Chair, said that these concerns will be addressed through a two-way communication flow between the Secretariat and those Board delegations that have specific suggestions concerning the KPIs. Mr Bland also said that there will be an improved consultation mechanism with respect to the next draft of the framework.

A final draft KPI framework will be brought to the Board for a decision at its November 2013 meeting in Geneva.

The paper presented to the Board said that the plan is to complement corporate KPI reporting with a quarterly dashboard, which will include financial information, programme results and lower-level operational KPIs. However, during the presentation, it was emphasized that not all KPIs will fit into quarterly reporting schedules.

Because so much time has already elapsed in 2013, and because the new KPIs have not been approved yet, it will not be possible to start tracking against the new KPIs until 2014.

Information for this article was taken from Board Document GF-B29-07, The Global Fund Corporate Key Performance Indicator Framework for 2013–2016. This document should be posted shortly on the Global Fund website at www.theglobalfund.org/en/board/meetings/twenty ninth. An annex to this Board document provides a list of the KPIs in the framework adopted in 2011.

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