



Independent observer
of the Global Fund

HIGHLIGHTS FROM THE SYNTHESIS REPORTS OF THE FIVE-YEAR EVALUATION

Editor's Note: This article summarises the main points made in the synthesis summary report on the Global Fund Five-Year Evaluation prepared by the Technical Evaluation Research Group (TERG). The full title of the report is "Technical Evaluation Reference Group Summary Paper: Syntheses Report of the Five-Year Evaluation of the Global Fund." The report summarises, and comments on, the synthesis report prepared by the international evaluators (see first article above).

The Global Fund has laid the foundation for continued, successful scale-up. However, not all of the original expectations of the Global Fund have been realised. Concerted effort will be required to continue the revision and refinement of the Global Fund's principles, systems and practices in order to increase funding for scaling up, especially in light of the current financial environment.

These are the main conclusions of the TERG with respect to the Global Fund Five-Year Evaluation.

A large portion of the evaluation focussed on 24 countries: Benin, Burkina Faso, Burundi, Cambodia, Democratic Republic of Congo, Ethiopia, Ghana, Haiti, Honduras, Kenya, Kyrgyz Republic, Lesotho, Malawi, Moldova, Mozambique, Nepal, Nigeria, Peru, Rwanda, Tanzania, Uganda, Viet Nam, Yemen and Zambia.

Key findings

The following is a list of the overarching findings of the Global Fund Five-Year Evaluation, as reported by the evaluators. The findings are relevant to the 24 participating countries; they do not necessarily apply to all countries that receive Global Fund grants.

Finding 1: The Global Fund, together with major partners, has mobilized impressive resources to support the fight against AIDS, TB and malaria.

Finding 2: Collective efforts have resulted in increases in service availability and better coverage, which will ultimately reduce disease burden.

Finding 3: Health systems in most developing countries will need to be greatly strengthened if current levels of services are to be significantly expanded.

Finding 4: The Global Fund has modelled equity in its guiding principles and organisational structure. However, much more needs to be done to reflect those efforts in grant performance.

Finding 5: The performance-based funding system has contributed to a focus on results. However, it continues to face considerable limitations at the country and Secretariat levels.

Finding 6: The Global Fund partnership model has opened spaces for the participation of a broad range of stakeholders. This progress notwithstanding, existing partnerships are largely based on goodwill and shared impact-level objectives rather than negotiated commitments or clearly articulated roles and responsibilities, and do not yet comprise a well-functioning system for the delivery of global public goods.

Finding 7: As the core partnership mechanism at the country level, CCMs have been successful in mobilising partners for the submission of proposals. However, in the countries studied, their grant oversight, monitoring, and technical assistance mobilisation roles remain unclear and substantially unexecuted. The CCMs' future role in these areas and in promoting country ownership is in need of review.

Finding 8: The lack of a robust risk management strategy during its first five years of operation has lessened the Global Fund's organisational efficiencies and weakened certain conditions for the effectiveness of its investment model. The recent work to develop a comprehensive, corporate-wide risk management strategy is a necessary step for the Global Fund's future.

Finding 9: The governance processes of the Global Fund have developed slowly and less strategically than required to guide its intended partnership model.

With respect to the partnership model (findings 6 and 9), the evaluators said that at the level of the governance of the Global Fund, there has been unprecedented and largely successful participation of civil society, the private sector and other international development organisations in the Global Fund model. However, it added, despite some notable exceptions, little of this has yet translated into clearly defined, durable and formalised operational partnerships.

The evaluators said that the Global Fund's approach during its first five years more accurately reflects a "friendship model" than a genuine "partnership model." Finally, the evaluators said that, in operational terms, the Global Fund has become a largely stand-alone entity whose staff growth trajectory appears to be a consequence of the unwillingness of partners – or the unwillingness of the Global Fund – to seriously pursue the stated partnership objectives.

In discussing other findings, the evaluators made the following additional observations:

- The current reliance of countries on external support raises significant concerns with respect to the long-term sustainability of programs; the risk of external funding replacing domestic investments; and the effect of the large-scale infusion of international resources on the cost-effectiveness and maintenance of programs.
- There is inadequate monitoring of gender, sexual minorities, urban-rural, wealth, education, and other types of equity as part of grant performance and impact assessment.
- Performance-based financing, a key tenet of the Fund's guiding principles, has evolved into a complex and burdensome system that has thus far focused more on project inputs and outputs than on development outcomes. There remain inadequate information system and monitoring and evaluation capacities in countries, critically limiting the feasibility of the performance-based funding approach.
- CCMs are still largely perceived as Global Fund entities rather than as mechanisms for promoting country ownership.
- The governance process has yet to reconcile competing principles established in the Framework Document, establish the corporate strategy that the Global Fund so badly needs, systematically monitor its own performance or decision-making with respect to the initial guiding principles, or interact sufficiently with other governing boards to shape the global partnership environment.
- The Global Fund has increasingly become a stand-alone entity with a growing and increasingly complex portfolio of grants requiring ever-increasing numbers of staff at the global level to maintain effective financial oversight in countries.

In conclusion, the evaluators said that while the Global Fund has achieved an incredibly rapid start-up in its first five years, the Board's focus has drifted from long-term and strategic issues toward ad hoc and incremental decision-making and operational details. The team said that in the absence of a considered longer-term strategy, the Global Fund Board and Secretariat have not sufficiently differentiated between areas of responsibility that can and cannot be delegated to the Secretariat or partnered with collaborating institutions. As a consequence, the team added, the Global Fund's rapid organisational development, though impressive, has progressed at times in an unintended direction.

Comments by the TERG

The TERG noted that the Global Fund has several initiatives underway that address the findings of the evaluators. These initiatives include the following:

- an increasing involvement of the Global Fund in health systems strengthening (Finding 3);
- the development of an implementation plan for the gender strategy (Finding 4);
- the development of a revised grant rating system (Finding 5);
- the development of a partnership strategy (Finding 6); and
- the development of a risk-management framework (Finding 9).

The TERG said that the evaluation found that Global Fund principles continue to be fundamentally sound and relevant; that the governance structure and processes have achieved both broad participation and genuine power-sharing between key constituencies, including donors, developing and developed countries, the private sector, civil society organisations and people living with the diseases; that core partnership mechanisms at the global and country levels have been established; and that there is continued support for the performance-based funding system and no fundamental question as to the Global Fund's role as primarily a financing mechanism.

On the other hand, the TERG observed that the evaluation identified important weaknesses, limitations and potential conflicts in the implementation of the Global Fund principles in practice. The TERG made the following additional observations:

- The performance-based system is complex and burdensome.
- The private sector is marginally involved.
- National health information systems do not provide sufficient regular and reliable information.
- Effective mechanisms for grant oversight and technical assistance are not in place at country level.
- The experience with CCMs is mixed.
- The fully demand- and country-driven model for applications does not guarantee that the most cost-effective interventions for those most in need will be selected.

Recommendations

With respect to the role of the Global Fund vis-à-vis its partners, the TERG recommended that the Global Fund maintain a small and efficient Secretariat, and that it seek to achieve maximum impact through partnerships. The TERG said that although this is not necessarily the most efficient approach, in the long term this is the most sustainable approach. The TERG said that in order to maintain a lean Secretariat despite the growing size of its portfolio, grant oversight by the Secretariat

should move away from direct program management through input/output indicators and more toward higher-level indicators and quality management principles, supplemented by periodic audits.

With respect to health systems, the TERG recommended that the Global Fund and its partners collectively address issues regarding health systems strengthening, and that they focus on key factors limiting scale-up: human resources, monitoring and evaluation systems and availability of essential services.

With respect to the performance-based funding system, the TERG recommended that the Global Fund assess the entire system – from proposal submission processes to grant rating methodologies, including target negotiation, data quality assessment and disbursement.

In addition, the TERG recommended that the Global Fund:

- take steps to strengthen country ownership in proposal development;
- take a more proactive approach to grant-making, focusing on the most cost-effective interventions with the highest potential for impact;
- develop a systematic and focused strategy for improving country-level monitoring and evaluation systems in order to collect more reliable data in support of performance-based funding;
- encourage countries to increase investments in medium- to long-term capacity building;
- encourage countries to develop better quality assurance mechanisms that can help to improve grant oversight;
- encourage governments in countries (in particular those with high disease burden) to develop long-term financial mobilisation plans in line with the national disease control plans for guiding domestic investment and use of Global Fund grants;
- improve its communication with global and country partners in order to avoid misunderstandings and inconsistencies;
- adopt a more differentiated approach to grant management, based on the size of the grant, previous results, the state of the health system, contextual information, and other country-specific data;
- set clear incentives for countries to ensure availability of key data at the grant application stage and throughout the grant implementation process.

With respect to what happens next, at its meeting in May 2009 the Global Fund Board asked the

Secretariat to develop a process for responding to and implementing the recommendations, and to report back to the Board at its meeting scheduled for November 2009. The Board also decided that its Chair would set up a small ad-hoc committee to assist the Board to (a) follow-up on, and formulate the Board's responses to, the recommendations; and (b) further define the role of the TERG in relation to independent evaluations, the resources required and Board oversight of the process.

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