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The Monitoring and Evaluation Toolkit is available electronically at: http://www.theglobalfund.org/en/me/documents/toolkit/
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The Global Fund M&E requirements

Introduction

The scale and increased complexity of HIV, tuberculosis (TB) and malaria programs in recent years has enhanced the need for data to inform decision-making and demonstrate progress toward international goals and targets, such as the Millennium Development Goals. To meet these needs, countries need strong monitoring and evaluation (M&E) systems to report accurate, timely and comparable data that can be used to strengthen programs and gain financial support. This toolkit aims to present the M&E requirements associated with Global Fund grants that support stronger HIV, TB, malaria and health and community systems.

The Global Fund Monitoring and Evaluation Toolkit was developed with the support of international technical agencies and M&E experts. The toolkit consists of five parts:

- **Part 1** provides information on core Global Fund M&E requirements in the context of performance-based funding;
- **Part 2** describes indicators and considerations for HIV programs;
- **Part 3** describes indicators and considerations for TB programs;
- **Part 4** describes indicators and considerations for malaria programs;
- **Part 5** describes indicators and considerations for health and community systems strengthening grants.

Indicators described in the toolkit are largely derived from standard indicators recommended for use by technical partners such as the United Nations World Health Organization (WHO); the Joint United Nations Programme on HIV/AIDS (UNAIDS) and its Global AIDS Indicator set; the Stop TB Partnership; the Roll Back Malaria Monitoring and Evaluation Reference Group; the Health Metrics Network; and the United States President’s Emergency Plan for AIDS Relief (PEPFAR). The standardized list improves the harmonization of M&E approaches and reduces reporting demands on countries. The toolkit also provides suggested reference materials, resources and an overview of the components of robust M&E systems.

The purpose of this toolkit is to provide:

- an overview of Global Fund M&E requirements
- guidance on performance-based funding
- information on building strong M&E systems
- guidelines for selecting, measuring and reporting standard indicators

Target audience

The primary audiences of the toolkit are national managers for programs involved in HIV, TB, malaria, and health and community systems strengthening; public health leaders; M&E officers and coordinators; donor agencies; technical and implementing partners and nongovernmental organizations that work with HIV, TB and malaria programs. In the context of Global Fund–supported programs, the target audiences include members of Country Coordinating Mechanisms, Local Fund Agents and the managers and M&E officers of Principal Recipients and sub-recipients. The toolkit can also be useful to M&E professionals from related sectors, including education, women’s and social affairs, transport and legal affairs or public health research.

Recent updates

The fourth edition of the Monitoring and Evaluation Toolkit differs from the previous version with a greater focus on the Global Fund’s requirements for M&E in Part 1, rather than providing extensive information on general M&E principles. Numerous existing resources provide an overview of M&E, a selection of which are provided in the resource lists throughout the toolkit.

This new Monitoring and Evaluation Toolkit includes updates in the following areas:

Global Fund processes:

- improved methods and guidance on the transition to single streams of funding under the new Global Fund grant architecture;
- enhanced information on reporting and performance ratings, including the assessment at periodic reviews;
- greater attention and detail on evaluations, including outcome and impact assessment and value for money, to inform future funding decisions;
- alignment with the joint Health Systems Funding Platform.1

Technical and programmatic issues:

- an updated set of indicators that reflect evolving strategies and recommendations for HIV, TB and malaria programs and for strengthening health and community systems, including a revision of the Top 10 (i.e. core programmatic) output, outcome and impact indicators for reporting to the Global Fund;
- monitoring community-based services;
- assessing quality of services;
- determining contributions to maternal, neonatal and child health;
- incorporating equity, including the disaggregation of relevant indicators across gender and other dimensions, guided by an equity assessment.

M&E systems:

- guidance on M&E assessments and monitoring the implementation of an M&E plan (M&E of M&E);
- greater emphasis and guidance on data quality assessments, including routine data quality assessments.

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1 Detailed information about the joint Health Systems Funding Platform is available at: http://www.theglobalfund.org/en/hspf/
1. Principles of monitoring and evaluation and performance-based funding

1.1 Principles of monitoring and evaluation

Monitoring and evaluation are indispensable learning and management tools for improving current and future program planning, implementation and decision-making. M&E structures, systems and processes should be built into public health programs from the design phase and carried out through the lifetime of the project. Although related, monitoring and evaluation rely on different methodological approaches to generate specific types of information (see Table 1).

The use of one national system to collect, analyze and apply M&E data, rather than using multiple parallel systems, reduces the reporting burden for countries. It is also more cost-effective and improves the quality and consistency of information. Partners and donors work together to strengthen countries’ M&E systems through the principles of alignment and harmonization agreed upon through international commitments such as the “Three Ones” principles (2004),2 the Paris Declaration on Aid Effectiveness (2005) and the Third High Level Forum on Aid Effectiveness (2008). Some countries use a fully integrated national M&E system to serve all communicable disease control programs as well as other health activities. Other countries have disease-specific M&E systems. Whether an integrated or disease-specific approach is used, common data collection methods, uniform analysis and joint annual reviews are needed to use resources efficiently.

To support efforts to build better national M&E systems, countries and global partners have developed and endorsed an organizing framework of the basic elements of the M&E system.3 The components of a functional M&E system and the respective performance goals are presented in Table 2.

1.2 Performance-based funding

Performance-based funding, a fundamental principle of the Global Fund model, provides a platform for grant recipients to demonstrate that they can convert grant financing into results. To promote accountability and transparency and to provide incentives for recipients to use funds efficiently and effectively, the Global Fund links financing disbursements to the achievement of targets proposed by the countries (and approved by the Global Fund).

Objectives of performance-based funding

The Global Fund’s system for performance-based funding was developed to:

- link funding to the achievement of targets and objectives;
- ensure that money is spent on services delivered to the intended beneficiaries;
- provide incentives to encourage recipients to focus on programmatic results and timely implementation;
- encourage learning to strengthen capacities and improve program implementation;
- invest in measurement systems and promote the use of evidence for decision-making;
- provide policies and tools for grant oversight and monitoring within countries and by the Global Fund;

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### TABLE 1.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Monitoring</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>Periodic, occurs regularly</td>
<td>Episodic</td>
</tr>
<tr>
<td>Function</td>
<td>Tracking / oversight</td>
<td>Assessment</td>
</tr>
<tr>
<td>Purpose</td>
<td>Improve efficiency, provide information for reprogramming to improve outcomes</td>
<td>Improve effectiveness, impact, value for money, future programming, strategy and policymaking</td>
</tr>
<tr>
<td>Focus</td>
<td>Inputs, outputs, processes, workplans (operational implementation)</td>
<td>Effectiveness, relevance, impact, cost-effectiveness (population effects)</td>
</tr>
<tr>
<td>Methods</td>
<td>Routine review of reports, registers, administrative databases, field observations</td>
<td>Scientific, rigorous research design, complex and intensive</td>
</tr>
<tr>
<td>Information source</td>
<td>Routine or surveillance system, field observation reports, progress reports, rapid assessment, program review meetings</td>
<td>Same sources used for monitoring, plus population-based surveys, vital registration, special studies</td>
</tr>
<tr>
<td>Cost</td>
<td>Consistent, recurrent costs spread across implementation period</td>
<td>Episodic, often focused at the midpoint and end of implementation period</td>
</tr>
</tbody>
</table>
TABLE 2. Twelve components of a functional M&E system

<table>
<thead>
<tr>
<th>Component</th>
<th>Performance goal for this component</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organizational structures with M&amp;E functions</td>
<td>Establish and maintain a network of organizations responsible for M&amp;E at the national, subnational and service delivery levels</td>
</tr>
<tr>
<td>2. Human capacity for M&amp;E</td>
<td>Ensure adequate skilled human resources at all levels of the M&amp;E system to ensure completion of all tasks defined in the annual costed M&amp;E workplan. This requires sufficient analytical capacity to use the data and produce relevant reports</td>
</tr>
<tr>
<td>3. Partnerships to plan, coordinate and manage the M&amp;E system</td>
<td>Establish and maintain partnerships among in-country and international stakeholders involved in planning and managing the national M&amp;E system</td>
</tr>
<tr>
<td>4. National multisectoral M&amp;E plan</td>
<td>Develop and regularly update the national M&amp;E plan, including identified data needs, national standardized indicators, data collection procedures and tools as well as roles and responsibilities for implementation</td>
</tr>
<tr>
<td>5. Annual costed M&amp;E workplan</td>
<td>Develop an annual costed M&amp;E workplan including specified and costed M&amp;E activities of all relevant stakeholders and identified sources of funding; use this plan for coordination and for assessing the progress of M&amp;E implementation throughout the year</td>
</tr>
<tr>
<td>6. Advocacy, communication and culture for M&amp;E</td>
<td>Ensure knowledge of and commitment to M&amp;E and the M&amp;E system among policymakers, program managers, program staff and other stakeholders</td>
</tr>
<tr>
<td>7. Routine program monitoring</td>
<td>Produce timely and high-quality (valid, reliable, comprehensive and timely) routine program monitoring data</td>
</tr>
<tr>
<td>8. Surveys and surveillance</td>
<td>Produce timely, valid and reliable data from surveys and surveillance systems</td>
</tr>
<tr>
<td>9. National and subnational databases</td>
<td>Develop and maintain national and subnational databases that enable stakeholders to access relevant data for formulating policy and for managing and improving programs</td>
</tr>
<tr>
<td>10. Supportive supervision and data auditing</td>
<td>Monitor data quality periodically and address obstacles to producing high-quality (valid, reliable, comprehensive and timely) data</td>
</tr>
<tr>
<td>11. Evaluation and research</td>
<td>Identify evaluation and research questions, coordinate studies to meet identified needs and enhance the use of evaluation and research findings</td>
</tr>
<tr>
<td>12. Data dissemination and use</td>
<td>Disseminate and use data from the M&amp;E system to guide the formulation of policy and the planning and improvement of programs</td>
</tr>
</tbody>
</table>

- **reallocate resources from nonperforming grants to more effective programs with a greater impact on the fight against HIV, tuberculosis and malaria.**

Performance-based funding is an integral part of every phase of the grant life cycle, from initial country application development to grant negotiation and signing to regular oversight of implementation and disbursement decision-making through to the renewal of the grant.

The Global Fund’s system of evaluating performance is primarily based on an assessment of results against targets for an agreed set of indicators. It also takes the quality of grant management into account. Robust M&E systems are essential for implementing performance-based funding. Section 7.1 provides more detailed information on how performance is measured and used in performance based-funding decisions.

2. Monitoring and evaluation during the grant life cycle

This section introduces the phases of the life cycle of a Global Fund grant and the core M&E requirements during each stage.

The grant life cycle begins with the development of a proposal by in-country stakeholders following a call for proposals by the Global Fund Secretariat (referred to as a Round). These proposals are reviewed by the Technical Review Panel. Those that are recommended for funding and approved by the Global Fund Board will enter into the grant negotiation stage with the Secretariat. The grant is then signed with the Principal Recipient and enters into the implementation stage, when funding is provided for the proposed activities. After the first implementation period, the grant will go through
the process of grant renewal, which includes a review (either Phase 2 or periodic review) to determine if the performance warrants continued funding. If approved, the grant will enter into the second implementation period. Figure 1 shows an overview of this life cycle. The numbers included in the figure refer to the respective sections of this toolkit that provide more detailed information on each of the different elements.

**Proposal development:** The grant cycle starts with the development and submission of proposals to the Global Fund Secretariat.4 Grant proposals should clearly define the planned goals, objectives, service delivery areas and activities:

- **program goals:** Goal(s) are broad and overarching statements of desired medium- to long-term outcomes and impacts of the program, and should be consistent with the national disease control strategic plan.
- **objectives:** Proposed activities should support specific objectives that will permit the program to reach the stated goal(s). The progress towards these objectives can usually be measured using indicators that demonstrate the effects of programmatic outputs.
- **service delivery areas:** For each proposed objective, the key services to be delivered are grouped under their respective service delivery areas. Service delivery areas are broad categories of programmatic activities, which allow for standardized analysis of budgets and results. Examples include “counseling and testing” (for HIV), “public-private mix” (for TB), and “home-based management of malaria” (for malaria).
- **activities:** Key programmatic activities are supported by inputs and processes, which result in outputs.

The Technical Review Panel will carefully assess all proposals against several criteria, including value for money. Applicants are expected to define a logical framework (log-frame) that provides an overview of the goals, objectives, service delivery areas and key activities, key indicators and associated budgets.6 The assessment of the grant proposal’s value for money will focus on:

- **overall strategy:** Has the proposal strategy been translated accurately into a grant that can achieve its goals?
- **effectiveness:** Are interventions being implemented in an effective way that is likely to reach the program goals?
- **efficiency and economy:** Are the costs of activities appropriate for achieving the outputs, with costs of inputs minimized (economy) and productivity of resources maximized (efficiency)?
- **additionality:** Does the proposal add, and not duplicate, activities and financial resources that are not being provided through other sources?

With specific reference to M&E, the assessment will focus on:

- **consistency of targets with the proposal, other grants, national targets and the budget;**

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4 Detailed information on how to apply for funding can be found at: http://www.theglobalfund.org/en/activities/application

5 Objectives need to be SMART: specific, measurable, attainable, relevant and time-bound.

• defined packages of services for indicators that measure the number of people reached, including consistency with national and international guidelines;
• planned and budgeted program evaluation and review, including an assessment of value for money and program impact.

Applicants for a Global Fund grant need to demonstrate a solid understanding of the strengths and weaknesses of the M&E system. The Global Fund recommends that implementers periodically (preferably every two to three years) conduct M&E self-assessments of national monitoring and evaluation systems. This exercise allows a review of the implementation of the (national) monitoring and evaluation plan to identify weaknesses and formulate and budget strengthening measures. Section 3 provides more information about M&E self-assessments.

As part of grant negotiations and before a grant is signed, implementers are required to provide an M&E plan and costed M&E workplan. The M&E plan is an essential document for a country because it provides detailed information about the national M&E system, including indicator descriptions, data management, data quality assurance, evaluations, M&E coordination, capacity-building for M&E and a costed M&E workplan. The costed M&E workplan is a component of the broader M&E plan, and includes the timing and budget allocation for each of the major M&E activities that are planned. Detailed information on how to develop this document is provided in Section 4.

The core monitoring tool for reporting programmatic results to the Global Fund is the performance framework. This document, which is developed by countries during the proposal stage, outlines the programmatic, outcome and impact indicators and targets over the lifetime of the grant. Section 5 provides detailed instructions on how to develop and use the performance framework.

Grant negotiation: Once a proposal is recommended by the Technical Review Panel and approved by the Global Fund Board, negotiation of the grant agreement begins. This process includes revisions to and finalization of the performance framework and the M&E plan and identification of M&E-related systems strengthening activities.

Implementation: During the implementation of grant activities, the Global Fund reviews crosscutting program areas, including data quality, quality of services, equity and contribution to broader health goals. Section 6 describes these processes in more detail.

The Principal Recipient is required to regularly report to the Global Fund on results achieved against targets, expenditures against budget, and any deviations from, or corrective actions to, program activities. These results feed into the performance-based funding model where programmatic results from each reporting period (typically every three to six months) guide the disbursement amount (see Section 7.1).

Grant renewals: While proposals are typically for a five year period, grant agreements are signed for one implementation period, which last for two years under the old architecture and three years under the new grant architecture. Before the end of the first implementation period (referred to as Phase 1 under the old grant architecture),7 the Global Fund conducts a review to inform its grant renewal decisions and additional financial commitments for the next implementation period (Phase 2 under the old architecture). This review occurs in addition to routine reporting to assess whether the expected results have been achieved, grant funds are being managed effectively and to make funding recommendations for the next implementation period (see Section 7.2 for details).

Evaluation and program reviews provide information that is valuable for understanding the impact and broader effects of programs. The role of these processes is discussed in Section 8.

A full list of M&E requirements during the grant life cycle is listed in Table 3 on page 10.

3. M&E systems strengthening

In recent years, efforts to strengthen national M&E systems have yielded significant progress and improved harmonization of M&E activities. However, certain weaknesses in both monitoring and evaluation have persisted. In terms of monitoring, data that are routinely collected are often not analyzed to inform program management, especially at local program management levels. With reference to evaluations, very few programs consistently plan or conduct evaluative activities. In addition, the M&E agenda is often affected by donor influences and therefore not always fully aligned with national priorities. Strengthening country M&E systems is a priority of the Global Fund, with the credibility and effectiveness of the performance-based funding model dependent upon the availability of high-quality data.

3.1 Advancing the M&E agenda

Efforts to drive the M&E agenda forward begin with a look at the current M&E systems. Table 4 on page 11 provides a snapshot of where M&E systems are today and a general road map for strengthening these systems to provide more useful data in the future. Many of the agenda items listed for the next five years are based on requests from partners and informed through consultation with in-country partners.

7 In November 2009, the Global Fund Board approved a new grant architecture that relies on one funding agreement for each Principal Recipient per disease component. The new grant architecture has introduced a periodic review in place of the Phase 2 review that was used under the old architecture. For more information on the new grant architecture, please refer to the following Frequently Asked Questions guide at: http://www.theglobalfund.org/WorkArea/DownloadAsset.aspx?id=5292
### TABLE 3. M&E requirements during the grant life cycle

<table>
<thead>
<tr>
<th>Grant life cycle stage</th>
<th>Requirements</th>
<th>Who is responsible?</th>
</tr>
</thead>
</table>
| New grant negotiation  | • M&E plan with costed workplan  
                           • performance framework | Principal Recipient/Country Coordinating Mechanism |
| Grant implementation   | Progress update/disbursement request (PU/DR) including:  
                           • progress updates on programmatic performance (including output and outcome/impact indicators);  
                           • progress on conditions precedent (i.e. actions that must be fulfilled in order for funds to be disbursed), special conditions and management actions;  
                           • progress on any other follow-up actions, as communicated by the Global Fund;  
                           • on-site data verification: The Global Fund requires the Local Fund Agent to annually conduct on-site data verifications for each Principal Recipient per disease;  
                           • data quality audit: Every year, the Global Fund subjects up to 20 grants to a data quality audit carried out by independent institutions contracted by the Global Fund;  
                           • Rapid Service Quality Assessment: The Global Fund requires the Local Fund Agent to annually conduct Rapid Service Quality Assessments for each Principal Recipient, per disease.8 | Principal Recipient  
Local Fund Agent  
Global Fund/ independent institution  
Local Fund Agent |
| Grant renewal (Phase 2 / periodic review) | • request for continued funding  
                           • results from program review and/or evaluations  
                           • M&E plan with costed work plan  
                           • performance framework | Principal Recipient/Country Coordinating Mechanism |
| Program reviews and evaluations | • conduct program review and or evaluation before periodic review to inform progress towards program goals (impact/outcome) | Principal Recipient/Country Coordinating Mechanism |

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8 Proposed to be rolled out beginning in January 2012.
### TABLE 4.
The M&E agenda for the next five years

<table>
<thead>
<tr>
<th>Area</th>
<th>M&amp;E today</th>
<th>M&amp;E agenda over the next five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen routine data monitoring (health facility-based and community-based)</td>
<td>Existing data collection systems do not always include data from the public sector, private sector and civil society; health management information system (HMIS) is often dysfunctional and not adequately integrating disease programs. Information generated by programs at the community level is still poor and incomplete.</td>
<td>A high percentage of data collected from the private sector and civil society and communities are integrated into the national reporting, which will provide a comprehensive view of the sector’s performance. Capacity is built into integrated HMIS. A set of indicators, tools and the M&amp;E system are adapted to monitor and evaluate community-level service delivery.</td>
</tr>
<tr>
<td>Improve data quality</td>
<td>Data quality framework at country level is still weak. Attempts to check inconsistencies in data collection and reporting remain ad hoc.</td>
<td>Agreed data quality framework included in the M&amp;E plan with regular monitoring and supervision. Expand on-site data verification and data quality audits to support continued data quality improvement.</td>
</tr>
<tr>
<td>Measure the quality of services delivered</td>
<td>Measurement of the quality of services or use of data for program quality management at all levels is often not embedded in program management</td>
<td>A set of indicators and tools to monitor the quality of service delivery at all levels is defined and systematically implemented.</td>
</tr>
<tr>
<td>Monitor service delivery among key populations and by sex</td>
<td>Data for key populations are often not fed back into the program and used for planning and decision-making. Reliable population size estimates are often not available. Addressing gender is limited to disaggregating data and indicators by sex.</td>
<td>Strategic information from programs is generated by identifying (1) the risks associated with disease transmission, (2) inequities in health and (3) the populations most at risk (including gender considerations). Strategic information is used at all levels for program planning, resource allocation and improved monitoring.</td>
</tr>
<tr>
<td>Further fund and strengthen vital registration systems</td>
<td>In many countries, vital registration systems are not complete enough to accurately monitor overall and cause-specific mortality.</td>
<td>The vital registration system is improved using domestic resources as well as resources allocated through partners and the Global Fund, so that reliable vital statistics can be produced in each country.</td>
</tr>
<tr>
<td>Strategically invest in population-based surveys</td>
<td>Overlap and duplication exist in the surveys implemented. Too much information is collected that is not subsequently used for decision-making.</td>
<td>Surveys are implemented cost-efficiently through good planning, design and coordination. Surveys respond to program and donor needs by providing reliable data and trends for evidence-based decision-making. Increased investments from donors in surveys that measure incidence and prevalence.</td>
</tr>
<tr>
<td>Generate strategic information</td>
<td>There is lack of appropriate tools and mechanisms to collect and store core data. There is a lack of analytical capacity at the country level to generate strategic information to address challenges and improve program implementation.</td>
<td>Modern and innovative solutions are implemented to collect, archive and retrieve data. Capacity is strengthened to analyze, interpret and use program data for informed decision-making. An annual review process is institutionalized with a high level of participation from stakeholders.</td>
</tr>
<tr>
<td>Fund and implement evaluations</td>
<td>Focus is on monitoring and reliance on routine system and quantitative data. Evaluation function is weak and uncoordinated; conducting evaluations remains ad-hoc.</td>
<td>Periodic evaluations are conducted to complement existing information, in particular for assessing the program impact and outcome and specific areas such as gender, equity, quality of services, and ability of interventions to reach key populations.</td>
</tr>
<tr>
<td>Gradually introduce operations research</td>
<td>Focus is monitoring and reliance on routine system and quantitative data.</td>
<td>Periodic research activities to respond to program implementation questions.</td>
</tr>
<tr>
<td>M&amp;E of M&amp;E</td>
<td>Many countries have an M&amp;E plan, but it is not always implemented. Implementation is not followed up routinely or the resources needed are not allocated.</td>
<td>Regular M&amp;E system assessment is used to identify priorities for strengthening the M&amp;E system and to allocate resources efficiently. Implementation of M&amp;E plan and costed workplan is followed up as part of the program review process.</td>
</tr>
</tbody>
</table>
3.2 The M&E systems strengthening cycle

The Global Fund has developed a strategy for strengthening M&E systems, which has three objectives:

1. to improve measurement methods, data quality and evaluation capacity in countries;
2. to improve M&E planning, investment and performance;
3. to build the M&E technical capacity in countries.

The approach for M&E system strengthening is framed within the Global Fund’s business model of country ownership, partnership and performance-based funding. Countries are encouraged to assess, identify and implement solutions to improve their M&E systems in order to produce quality information for program management as well as for Global Fund performance-based funding decisions.

M&E system strengthening includes four important processes: (1) assessing the M&E system; (2) planning and budgeting; (3) implementing the M&E plan and costed workplan; and (4) follow-up (M&E of M&E).

Assessing the M&E system: The Global Fund recommends that countries conduct national M&E self-assessments every two to three years. This multi-stakeholder process creates a forum for partners to identify M&E issues, update the costed M&E workplan (including system strengthening activities), harmonize partner support and ensure that plans align with national systems. M&E assessments are best conducted before grant proposals are developed to provide stakeholders with an opportunity to allocate grant funds to identified strengthening measures. The M&E self-assessment is not a Global Fund requirement, except for countries.

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**FIGURE 2. Strengthening country-level M&E systems**

1. **Assessing the national M&E system**
   - Self-assessment recommended every 2-3 years, to identify strengths and weaknesses of the M&E system.

2. **Planning and budgeting**
   - Update the M&E plan and costed workplan to reflect A) strengthening measures to address identified weaknesses; B) resource needs (technical assistance and financial); and C) resource contributions of the Global Fund and other partners for M&E.

3. **Implementing M&E plan and costed workplan**
   - Effective and timely use of resources to implement M&E activities as planned.

4. **Follow-up on M&E**
   - Regular review of M&E system performance (on a quarterly, semiannual and annual basis and as part of national program review process), including support from the national M&E technical working group (if established).
with a weak or fragmented M&E system. Where there is a perceived risk that the M&E system might not be able to provide data adequate for performance-based funding, the Global Fund Secretariat may require a Principal Recipient to complete an M&E self-assessment and to budget for M&E system strengthening measures to address identified weaknesses. Generally, the Global Fund recommends using the following standard tools for M&E self-assessment:\footnote{M&E self-assessment tools are available from: \url{http://www.theglobalfund.org/en/me/documents/systemassessments/}. The Global Fund also recommends a number of data quality assessment tools. More information about these tools can be found in Section 6.1.}

- the M&E systems strengthening tool developed by the Global Fund and other partners;
- the 12-component M&E assessment tool developed by UNAIDS and partners;\footnote{More information on the 12 components of a functional M&E system are available from: \url{www.unaids.org/en/dataanalysis/tools/monitoringandevaluation/guidanceandtools/}.}
- the Health Metrics Network (HMN) tool for assessing the national health information system;
- the harmonized tools (jointly developed by WHO and the Global Fund) for assessing TB surveillance data information systems.

### Planning and budgeting: M&E systems strengthening activities identified during the M&E system assessment should be supported by adequate financial and technical resources, and incorporated in the costed workplan of the national M&E plan. For more information on developing the M&E plan, see Section 4. The Global Fund recommends that implementers allocate five to ten percent of the grant budget for M&E.\footnote{Note: This range may not always be applicable for Global Fund grant proposals because it depends on the proposal objectives, grant amount and possible M&E funding from domestic resources or other partners. In specific situations, when the grant M&E budget is less than 5 percent, the Principal Recipient should demonstrate that sufficient funds are available from other sources to support the grant activities and track outcome and impact and programmatic results. This range may be exceeded, for example for M&E system strengthening proposals or for proposals that include specific studies, surveys, or reviews/evaluations to measure the outcome/impact of the disease control or HSS investments.}

The workplan and budget items for M&E activities in the grant should include the following information:

- budget items organized by service delivery areas and by activities per year and, if possible, per quarter. Table 5 on page 14 outlines the budget categories and types of activities that could be included in Global Fund M&E grant budgets.
- a description of each activity and a breakdown of unit costs and quantities. Unit costs should be applied consistently throughout the detailed budget and reflect the actual/realisitic cost of implementation as anticipated during grant implementation.

### Implementing the annual M&E plan and costed workplan: Once the annual M&E plan and costed workplan are in place, the Principal Recipient (PR) must ensure that M&E resources (both technical assistance and financial) are mobilized as planned and that activities are implemented as scheduled. In the course of grant implementation, a PR will undertake regular budget reviews to identify whether modifications are required due to changes in context (for example, different unit costs for items being purchased). Under the Global Fund Budgeting Guidelines, the PR may make “nonmaterial” changes to the grant budget without submitting prior approval to the Secretariat. In general, nonmaterial changes are relatively small, for example, less than 10 percent of the annual amount approved for a budget line.\footnote{Global Fund Budgeting Guidelines are available from: \url{www.theglobalfund.org/documents/core/guidelines/Core_BudgetingInGlobalFundGrants_Guideline_en/}.} The PR informs the Global Fund Secretariat of any nonmaterial budget change through normal reporting cycles (i.e. the progress update and disbursement request), including enhanced financial reporting requirements.

For more details on the budget changes during grant implementation please refer to the Global Fund Budgeting Guidelines section on the budget changes during grant implementation.

### Follow-up on M&E: The M&E plan and costed workplan should be monitored and reviewed on a regular basis. Significant time is invested by countries to assess the M&E system and develop the M&E plan and costed workplan, however there is often less attention to following up on the implementation of M&E systems strengthening activities. In particular, there is often limited evidence as to whether these investments have improved M&E system performance at the country level. If M&E activities are not implemented and the systems do not function adequately, the credibility of data for performance-based funding decisions is at risk. Also, programs that are not based on evidence (for example, epidemiological data) can result in inefficient use of resources. Accordingly, the Global Fund recommends that countries institute processes to follow up on M&E (often referred to as M&E of M&E) as part of their monitoring, while periodically reviewing M&E system performance (see Box 1 on page 14).
TABLE 5.
M&E budget categories and activities (more details are provided in Section 4)

<table>
<thead>
<tr>
<th>M&amp;E SDAs</th>
<th>Descriptions of specific functional areas</th>
</tr>
</thead>
</table>
| **1. M&E Stewardship, governance and coordination** | Development of M&E Plan (including development of indicators and work plan)  
Development of general M&E training materials and guidelines  
Training on general M&E  
M&E self-assessment  
M&E coordination and management  
Establishment and functioning M&E technical working group or forum  
Information dissemination and communication |
| **2. Routine programmatic data collection and reporting** | Developing or strengthening routine health information system (to regularly capture health information from both public and non-public sector)  
Strengthening data quality procedures for routine information systems  
Strengthening vital registration systems  
Developing or strengthening disease surveillance systems  
Recruiting and training staff for routine information systems  
Enhancing staff skills in data analysis, synthesis and use publication and dissemination of M&E reports |
| **3. Evaluation, surveys, surveillance, special studies** | Implementation of population and facility surveys and censuses  
Undertaking implementation research program evaluation and sector reviews  
Conducting health system research and epidemiological studies  
Recruiting and training staff for episodic data collection systems (surveys/censuses, research, evaluations, etc.)  
Strengthening data quality procedures for episodic data collection systems  
Conducting policy analysis |

BOX 1.
M&E country profiles

In 2009 the Global Fund Secretariat introduced the M&E country profile to systematically track progress on M&E system performance at the country level. The Global Fund is currently developing more comprehensive M&E country profiles, which will be rolled out globally in early 2012. These tools will be used by the Global Fund Secretariat as a mechanism to:

- assess M&E capacity at the time of grant negotiation and define risk mitigation measures;
- support the identification and follow-up of M&E systems strengthening interventions;
- measure improvements in the M&E system vis-à-vis funds investment.

**Content:** M&E country profiles provide detailed information about the various aspects of the M&E system at the health sector, disease program (HIV, TB and malaria), and Principal Recipient levels. The profiles allow the system to be assessed with regard to its capacity and alignment with the national system. Furthermore, the tool tracks progress in M&E investments and the implementation of key M&E systems strengthening interventions.

**Completion process:** M&E country profiles are completed by the Local Fund Agent based on a review of relevant M&E documents, in consultation with in-country partners.

**Timing:** The M&E system country profile is completed during the negotiation for new grants and at Phase 2 / periodic review.

**Information sharing:** The information captured in the M&E country profile is shared with in-country partners to help programs address weaknesses in the M&E system. Countries may adopt a similar approach to track implementation of M&E activities and periodically assess M&E system performance.
4. The M&E plan

At the time a grant is signed, the Global Fund requires the submission of an M&E plan and costed workplan that are valid for the first implementation phase. In general, Principal Recipients should submit a single national M&E plan that is linked to their national disease or health sector strategy. If relevant, the Global Fund recommends that implementers request funding for updating or developing a national M&E plan in their grant proposals. The M&E plan should be developed in consultation with various stakeholders, including subnational authorities and representatives from civil society. These stakeholders should also regularly update the costed M&E workplan, and implement or contribute to M&E systems strengthening measures.

In countries where both governmental and nongovernmental entities serve as Principal Recipients under the same disease component (dual-track financing), a grant-specific M&E plan can be submitted by the nongovernmental entity. However, this plan should be linked to the national plan and contribute to the national M&E system. Ideally, it should demonstrate coordinated governance arrangements, data flow and data sharing and harmonized supervision. There may be certain cases in which submitting a national plan is not feasible, including the following:

- for regional multicountry grants. These require developing a specific regional M&E plan that is aligned as much as possible with the national M&E plans of all the countries concerned.
- when the national M&E plan is not sufficiently detailed for Global Fund requirements or does not cover the full scope of the proposal. In this case, the Principal Recipient should prepare an annex to the national M&E plan to provide the missing information or develop a separate document that is consistent with the national M&E plan. Whenever relevant, the Global Fund and the Principal Recipient will agree on a timeline to produce an updated version of the national M&E plan that fully covers the scope of activities supported by the national program and the Global Fund.
- when the country does not have a national M&E plan and the process of developing one will take longer than the grant negotiation period. In this case, a provisional document can be drawn up and updated or replaced once the national M&E plan is developed.

The Global Fund and partners can offer tools and resources to support the development of a national M&E plan and costed workplan.14 The format and structure of the M&E plan are discretionary, but the Principal Recipient should ensure that the components outlined in the M&E plan guidelines are included.

These include the following eight sections:

1. M&E coordination
Multiple stakeholders are often involved in managing, implementing, or using M&E systems. This section of the M&E plan should describe the coordination mechanisms, including management structures, role partners, and M&E review/follow-up mechanisms. M&E partnerships in the country, such as technical working groups, should also be described in this section, including their function and composition. The alignment and harmonization of indicators and reporting periods/schedules should also be included.

2. Indicator measurement framework
The M&E plan should include a table presenting all indicators for which data are collected (by the national disease program or by the Principal Recipient, depending on the type of M&E plan presented to the Global Fund). For each indicator included in this indicator framework, the following information should be provided:

- indicator definition;
- baseline values with dates and relevant source of data (e.g. the 2006 Report from Ministry of Health (DH 2007);
- targets set, according to frequency of measurement;
- data collection method for the indicator (e.g. health information system, program monitoring, sentinel surveillance, population-based surveys or facility-based surveys, mortality registration or community registers);
- frequency of data collection (e.g. monthly, quarterly, annually);
- person or agency responsible for data collection and reporting (if an agency, specify relevant unit).

The indicators included in the performance framework should be aligned with the indicator framework contained in the M&E plan. Note, however, that the indicator framework should contain all indicators for which data are collected by the national disease program, while the performance framework contains only a selection of those indicators. However, in exceptional situations where Principal Recipient-specific M&E plans are submitted, the indicator framework may only capture indicators in the performance framework.

3. Routine data collection
The M&E plan should include information on how the country will collect data for each indicator in a timely manner, including a description of each of the following components:

- routine data (output indicators) that will be collected and reported routinely from service delivery points (including public health facilities, private health facilities and community level) and other intermediate levels to the national level;
- data collection and reporting tools (for capturing and reporting data from public health facilities, private

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14 Further information, including an M&E plan template, is available from: http://www.theglobalfund.org/en/me/documents/planguidelines/#guidelines
4. Data management
This section should outline how data and reports are managed at central and sub-national levels (including data collection, storage, processing and analysis). The section should describe the infrastructure and facilities available for data management, including any software or electronic systems being used or planned.

5. Data quality assurance mechanisms
The M&E plan should describe the system proposed to ensure the quality of the data collected and reported. This section should include:

- descriptions of the mechanisms and tools to be employed for assessing quality of data; and
- frequency and schedule of data verification processes (including schedules for periodic data verification of selected sites as well as for routine supportive supervision).

6. Program review, evaluation and surveys
Program reviews, evaluations and surveys are important for determining a program’s overall performance, cost-effectiveness and impact. Approved grants should budget for program reviews and/or evaluations to provide data for periodic reviews. For more information on the use of evaluation and surveys in the periodic review process, see Section 8.

This section of the M&E plan should describe existing practices, gaps and plans or schedules for conducting program reviews, evaluations and surveys.

Program reviews and evaluations:

- Describe the schedules/plans for conducting program reviews. Specify the frequency of program reviews at each level of the health system (national, regional and district). Specifically, provide the timelines for national program reviews (including timelines for Joint Annual Reviews).
- Describe the schedules for periodic program evaluation.
- Describe the key evaluative questions to be answered, and the proposed methodologies to be employed for scheduled program reviews and evaluations.
- Differentiate between external independent evaluations/ reviews and routine/specific internal evaluations led by the national program unit and partners.
- Ensure that budgets are allocated for conducting program reviews and evaluations (where resource gaps are observed, this needs to be described).

Surveys and surveillance:

- Describe the major surveys conducted in the country in the past five years.

- Describe schedules of the surveys planned to be conducted during the lifespan of the M&E plan (population-based or health facility-based surveys).

- Describe the surveillance schedules.

- Ensure that budgets are allocated for conducting the surveys (where resource gaps are observed, this needs to be described).

- The indicator framework should show which indicators are reported on using data from these surveys.

Research and special studies:

- Describe the operations/implementation research to be conducted during the timeline covered by the M&E plan.

- Describe special studies to be conducted during the timeline covered by the M&E plan. Special studies refer to small scale studies (not national level KAPB studies, resource tracking exercises, National Health Accounts or disease-specific subaccounts).

- The indicator framework should show which indicators are reported on using data from research and special studies.

7. Human resource capacity building
This section should describe the M&E human resource capacity at the time the M&E plan was developed, identify the gaps, and illustrate a strategy to improve M&E human resource capacity over the plan’s life span. Possible content could include:

- Summary of findings from M&E human resource capacity assessments. Reflect specifically on the areas where M&E capacity gaps are major (the M&E areas could include, but not limited to, data collection, processing, analysis, surveys, program review/evaluation).

- Plans for developing/improving M&E human resource capacity (through training, mentoring, supportive supervision, providing guidelines and tools, etc.)

8. Costed M&E work plan
The Global Fund recommends that five to ten percent of the national program budget be used for M&E activities, including efforts to strengthen M&E systems. Section 3.2 includes additional details on planning and budgeting for M&E systems strengthening. The relevant costs included in the budget should be consistent with activities in the M&E plan. As part of the Global Fund’s periodic review process, countries should adequately budget for assessments of impact and outcome and identify any related technical assistance needs for conducting national program reviews and or evaluations. Resource needs and contributions (both financial and technical assistance) of both the Global Fund and other partners should be reflected in the costed work plan.

The costed M&E work plan should be considered a living document: regularly monitored and reviewed and updated. The work plan should cover at least one to two years.
For each M&E activity, regardless of whether the activity is a routine or a one-time activity, the workplan should include:

- timeline for implementation
- entity responsible for implementation
- estimated budget
- funding source
- gap between estimated budget and identified financial resources.

This section of the M&E plan also describes the mechanisms in place to track and report on M&E expenditures, for example through financial surveys and studies, including National Health Accounts and Enhanced Financial Reporting.

9. M&E Budget

While the costed M&E work plan includes activities and budget for over one or two years, this section should include a summary budget that outlines cost estimates for the life of the M&E plan (usually five years). This budget can be divided into the major categories outlined in Table 5 on page 14. It should include estimated contributions from both the government and partners, as well as any outstanding gaps in funding.

10. Information products, dissemination, and use

Once data are collected and analyzed, they should be used to inform decision-making and increase the efficiency and effectiveness of the program. The results of the analysis should be disseminated to all relevant stakeholders and shared with implementers through a systematic feedback mechanism. This section of the M&E plan should describe the types of products and publications that will be used to share the information collected by the program. Such M&E information products may include, for example, periodic reports or statistical abstracts. The mechanisms for dissemination of the information products could include, for example, websites or stakeholders’ meetings. The section should also include an information dissemination strategy, ensuring the exchange of feedback and information to the community and facility level as well as to national and international stakeholders.

5. The performance framework

The performance framework is a legally binding component of the grant agreement that outlines a set of selected indicators and targets to be achieved by the Principal Recipient. It is developed by the country and submitted with the proposal. It is finalized during the grant negotiation process. Ideally, the performance framework includes a set of indicators and targets derived from a national disease strategy that can be used to measure the activities supported by the grant. While there may be many other indicators from the national M&E plan that should be used for program management, the performance framework is a subset of the indicators the Global Fund can use in performance-based funding decisions and for determining resource allocations in the grant budget. Table 6 presents the type of information the performance framework can provide.

The following sections provide information about how to develop the performance framework, including indicator selection and target setting.

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**TABLE 6. The functions of a performance framework**

<table>
<thead>
<tr>
<th>The performance framework IS ABLE to provide information on:</th>
<th>The performance framework IS NOT ABLE to provide information:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• program / grant goals, objectives</td>
<td>• on all activities of a program, rather it is only used to monitor selected activities;</td>
</tr>
<tr>
<td>• selected program-level impact/outcome indicators and respective targets over the grant period:</td>
<td>• for budget tracking or financial monitoring — this needs to be done through Enhanced Financial Reporting or national budget review exercises e.g. NASA, NHA;</td>
</tr>
<tr>
<td>• output indicators and targets related to key service delivery areas over the grant term:</td>
<td>• for overall impact program assessment — additional studies/reviews/evaluations are needed to complement the information included in the performance framework;</td>
</tr>
<tr>
<td>• tracking health systems strengthening / community systems strengthening activities</td>
<td>• regarding the specific contributions of all partners for selected impact indicator achievements — this needs to be done through specific reviews and evaluations;</td>
</tr>
<tr>
<td>• whether the Global funding is funding the output indicators jointly with others partners or as stand alone</td>
<td>• on the quality of the delivered services - this needs to be done through specific service quality assessment;</td>
</tr>
<tr>
<td></td>
<td>• to monitor the implementation of specific initiatives or activities - this would need to be done through specific survey or evaluations.</td>
</tr>
</tbody>
</table>

5.1 Developing the performance framework

The performance framework should be derived from the overall structure of goals, objectives, service delivery areas and activities described in the proposal. The Global Fund and partners rely on the input–process–output–outcome–impact model. For a program or project to achieve its goals, inputs and processes, such as drugs, information materials training or staff time, must result in outputs, such as the number of people reached by a particular service. If these outputs are well designed and reach the populations for whom they were intended, the program or project is likely to have positive short-term effects or outcomes, such as increased condom use with casual partners, increased use of insecticide-treated nets, or adherence to TB drugs. These positive short-term outcomes should lead to changes in the longer-term impact of programs, such as fewer new cases of HIV, TB or malaria.

Output, outcome and impact indicators are reported by the Principal recipient at different stages of the grant life cycle. The M&E logical framework and related reporting information is illustrated in Figure 3.

5.2 Selecting indicators

When selecting indicators in the performance framework, the following recommendations should be taken into account:

- review the national M&E plan and align indicators in the performance framework with the indicators for which data are already being collected by the national M&E system;
- to the extent possible, harmonize indicators with the standard lists recommended by technical partners, as outlined in this toolkit (Parts 2 to 5);
- ensure consistency among program goals, objectives, service delivery areas and selected indicators;
- include a limited number of indicators in the performance framework, including 3 to 10 impact/outcome indicators and 10 to 15 output indicators;
- where possible, include output indicators that focus on people reached with services and avoid using process and input indicators whenever possible;
- ensure consistency with other grant documents, grant budgets and procurement plans;
- ensure that adequate systems are in place to collect and report high-quality data for all indicators included in the performance framework;

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17 The Global Fund has developed a series of online e-modules to guide PRs in understanding the Global Fund’s M&E requirements. One of these modules guides PRs through the development of the performance framework. The e-modules are available at: http://www.theglobalfund.org/en/me/learning/
• maintain a balance between the indicators that can be reported on a routine basis and those reported through sentinel surveillance or periodic surveys.

Impact and outcome indicators are assuming a greater role in M&E within the Global Fund’s new grant architecture, particularly for grant renewal decisions at the time of periodic review (see Section 7.1). These indicators should be reflected in the performance framework even if the Global Fund is not supporting the total cost of the data collection and reporting. Lists of recommended, partner-agreed impact and outcome indicators are defined in detail in each of the indicator sections in Parts 2 to 5 of this toolkit.

The Global Fund is also interested in the effect its grants are having on maternal, neonatal and child health outcomes. For more information, please see Box 2.

**BOX 2. Reporting on maternal, newborn and child health**

The Global Fund contributes to improving maternal and child health by strengthening health and community systems, and by supporting interventions that benefit women and children within the context of HIV, TB and malaria programs. Several new indicators have been added to this toolkit to more effectively capture the contribution of Global Fund-supported programs to maternal and child health outcomes. Targets and indicators can be disaggregated by age and/or sex to measure responsiveness to equity concerns, including those related to maternal and child health. The toolkit sections for HIV, TB, malaria, health and community systems strengthening present indicators appropriate for measuring a program’s contribution to maternal and child health goals.

### 5.3 Top 10 indicators

The Global Fund, in collaboration with partners, has selected a set of Top 10 indicators that measure priority interventions. These indicators provide a standard benchmark for measuring program results across the entire portfolio of Global Fund grants. The Top 10 indicators were recently revised and are specified in each of the indicator tables in Parts 2 to 5 of this toolkit.

In cases where the performance framework does not include the Top 10 indicators, some key indicators may be classified as “Top 10 equivalent.” Top 10 equivalent indicators are considered important for achieving the program goals, but are not included in the Global Fund’s Top 10 list.

Top 10 equivalent indicators measure one or both of the following:

- “people reached” by services that address one of the main target groups
- a “system strengthening” activity identified as the main focus of the grant

### 5.4 Setting targets

Setting ambitious yet realistic targets for indicators is an important element of the planning process. Good programmatic targets should be linked to a comprehensive and up-to-date analysis of the epidemiological situation, including size estimates of population sub-groups considered to be most at risk. In the absence of disease-specific epidemiological and program coverage data, steps must be taken to establish the baselines as early as possible.

In most cases, targets are derived from the National Disease Strategy Framework and associated M&E plans. Tracking and reporting progress against these targets over time helps program managers manage resources and enhance program implementation for improved results and for achieving impact.

When setting targets, the Principal Recipient needs to consider current and anticipated constraints to scaling up programs. Progress can be hindered by an array of challenges involving lack of skilled human resources, infrastructure, facilities, equipment and systems that support the provision of services. Measures to overcome these obstacles should be addressed through health systems strengthening activities.

The following three steps are recommended for setting targets:

1. Define populations and subpopulations of people at risk for infection and those already infected and in need of diagnosis, treatment, care or support services.
   - Identify the nature of the epidemic (e.g. generalized or concentrated epidemic for HIV, by level of transmission for malaria or burden of TB).
   - Identify the main transmission risks due to environmental factors, such as geography, economy and trade, sociodemography, urban versus rural setting, culture, religion and politics.
   - Define, identify and enumerate the population subgroups that are vulnerable to and already affected by the condition or infection, according to general and locally relevant factors such as age, sex, social status, physical characteristics, marital status, employment, behavior, lifestyle and religion.

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18 For more information see the information note, “Strengthening maternal, newborn and child health interventions” available from: http://www.theglobalfund.org/WorkArea/DownloadAsset.aspx?id=23082


For more information about target-setting for HIV programs, please refer to the resource section of the HIV part of the M&E toolkit.
• Map the characteristics, size and location of vulnerable populations and the subpopulations most at risk to identify the people needing disease prevention and health promotion interventions.
• Map the characteristics, size and location of subpopulations already infected and affected and therefore needing diagnosis, care, treatment and support.
• Define the most relevant and appropriate effective interventions and services that need to be implemented for these subpopulations.

2. Define the number of people receiving prevention, treatment and care interventions and services for each defined subpopulation.

• Assess the current coverage (the number of people vulnerable and already affected) as well as the recent trend in scaling up for each defined intervention and service.
• Assess the quality and relevance of the services currently delivered. Determine whether these services are appropriate for scaling up and whether adjustments are needed.
• Identify other subpopulations that need to be targeted with specific interventions and services.
• Identify the gap to be filled to attain Millennium Development Goals, national strategic plan objectives or other major targets.
• Project the potential for scaling up the delivery of interventions and services for each year for which targets are to be set, taking into account the following limitations and the parallel efforts to reduce their impact on program performance and scale-up:
  - barriers, such as culture and beliefs, stigma and marginalization;
  - constraints, such as limitations in human resource capacity and productivity, procurement and supply management, laboratory capacity and quality, equipment and transport facilities;
  - environmental obstacles, such as geography and terrain, political, physical infrastructure and climate.
• Set specific and ambitious annual targets for interventions and services based on the gap analysis (a method to estimate the number of people in need of services that are not yet covered by existing programs) and an understanding of the feasibility for scaling up. Activities aimed at reducing the impact of the identified barriers, constraints and obstacles elaborated below should also have targets.

3. Identify activities and establish targets to reduce the impact of identified barriers, constraints and obstacles.
• Determine the resources currently available (e.g. human, material and financial resources).
• Identify what and how many additional resources will be needed to address the barriers, constraints and obstacles so that the programmatic gap can be filled for the intervention and service targets identified in step 2.
• Set priorities for interventions and services according to their importance in achieving national strategy objectives, Millennium Development Goals and making an impact on the epidemic while taking into account the resources available.

To ensure consistency and accurate interpretation of results in performance-based funding decisions, it is important that targets are correctly described in the performance framework. In addition to the targets themselves, countries are asked to provide the following information for each indicator in the performance framework:

• baseline and year of the data;
• data source;
• period when target will be achieved, i.e. when the planned activity meant to achieve target will take place;
• type of target accumulation (cumulative annually or noncumulative);
• whether baselines are included or excluded from the targets;
• whether targets are tied to Global Fund financing (through the current grant or multiple grants); tied to the Global Fund and other donors; or if targets are national (when the Global Fund is supporting an activity, a major part of a service delivery area, or a significant amount of the budget at the national level; or if grant-specific reporting would require a parallel reporting system);
• whether the indicator is a Top 10 or Top 10 equivalent indicator (see Section 5.3).

When reporting on national targets in the performance framework, the Global Fund contribution should be specified in the comments section. It is expressed in any of the following ways: percentage contribution to the targets, percentage contribution to the overall budget for the activity or service delivery area or as a list of activities supported by the grant.

Targets should be included according to the reporting frequency. In order to reduce the reporting burden, reporting cycles should be aligned with in-country reporting or fiscal cycles, for example, by calendar year. Outcome and impact targets should be provided for the period the data are collected, and results should be shared during the reporting period when they are available.

To harmonize reporting with ongoing data collection efforts, it is important to consider all available data collection methods in the country. Figure 4 provides guidance on how to map data sources so that data collection is based on already existing processes in the country. Suggested data sources for selected indicators can also be found in the disease-specific sections of this toolkit. The data collection schedules should be summarized in a table and included in the M&E plan.

20 More detailed information on how to complete the performance framework is included in the instructions page of the performance framework template, available from: http://www.theglobalfund.org/en/me/documents/performanceframeworks/
Targets in the performance framework must be in accordance with those approved by the Technical Review Panel and can generally not be changed during grant implementation. During grant negotiation (the time between approval of a proposal and grant signing) and following the approval of Phase 2 / periodic review, the Principal Recipient works with the Secretariat to agree on targets based on the proposal. Changes to targets are considered either material, requiring review and approval by the Technical Review Panel, or nonmaterial, which can be signed off by the Secretariat. Material changes include altering the scope and/or scale of a performance framework that would affect the achievement of goals, objectives or key service delivery areas of the program, or shift the balance of program activities in the performance framework. Requests for target revisions must be supported by relevant technical documentation and/or validated by technical agencies such as WHO or UNAIDS. For more information on changing targets, please see the Operational Policy Note “Changes To Scope and/or Scale of Performance Frameworks in Board Approved Proposals or Signed Grant Agreements,” which is contained in the Global Fund’s Operational policy manual.\textsuperscript{21}

6. Cross-cutting areas

The Global Fund recognizes that complex dynamics can affect both reporting and health outcomes related to HIV, TB and malaria. In considering grant performance and in the interest of improving the impact of investments, the Global Fund reviews crosscutting areas including data quality, quality of services and equity.

6.1 Assessing data quality

The Global Fund’s processes for grant proposal approval and performance-based funding are underpinned by data availability and quality. Since performance-based funding requires countries to demonstrate results against predefined performance targets, it depends heavily on the quality of data being collected and reported by countries.

Poor data quality is a huge reputational risk to the Global Fund business model. It can lead to inappropriate disbursement decisions and inaccurate external reporting by the Global Fund. At the country level, poor data quality can lead to inadequate program management and an inability to demonstrate accurate results.

The data quality framework developed by the Global Fund to guide the assessment of data quality defines data quality as “fitness of data for grant management, analysis, evaluations and external reporting.” In other words, the programmatic, financial and procurement data used at all three phases of the grant management process (proposal, negotiation and implementation) should be accurate, timely and complete. Equally important, in this framework, is the integrity of grant information management systems. These four dimensions of data quality — accuracy, timeliness, completeness and integrity — are described in Box 3.

The Global Fund uses three main mechanisms/tools to assess the quality of data and reporting systems at the country level, namely the: (1) on-site data verifications, (2) data quality audits (DQAs) and (3) M&E systems strengthening (MESS) tools (see Section 3.2).

On-site data verification: During the lifespan of a grant, the Local Fund Agent is required to conduct on-site programmatic data verification for every grant on an annual basis. On-site data verification ensures that data describing programmatic achievements are of high quality. The methodology for conducting these verifications has been improved and standardized. Accordingly, the on-site data verification tool has been expanded to systematically assess the following areas:

- the reporting performance of grants (availability, completeness and timeliness of data);
- the underlying M&E system of the grant;
- data management aspects related to procurement and supply of commodities used within grants.

Data quality audits: Independent data quality audits are conducted by external auditors to assess the quality of the data used for program monitoring and assessment. Data quality audits serve a dual purpose: (1) to verify the quality of the programmatic information reported and to inform subsequent financing decisions, and (2) to highlight or pinpoint areas of programmatic reporting systems that need strengthening. On average, 12 to 20 grants are selected to undergo a data quality audit every year. The grants/countries to be audited are selected randomly from a list of high-risk countries identified by the Global Fund. Recommendations that result from the findings of the audit are provided to the country so the Principal Recipient can take the necessary actions to improve the overall system.

Routine Data Quality Assessment: With the objective of building countries’ capacity to enhance data quality, the Global Fund has introduced a flexible, easy-to-use data quality assessment tool to assess data quality within grants. The primary objective of the Routine Data Quality Assessment tool is to enable the Principal Recipient to:

- conduct routine data quality checks as part of ongoing supervision;
- conduct initial and follow-up assessments of data management and reporting systems;
- strengthen the program staff’s capacity in data management and reporting;
- identify data quality issues and help prepare for a formal external data quality audit.

<table>
<thead>
<tr>
<th>BOX 3. The dimensions of data quality</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accuracy</strong> - How correct are the data?</td>
</tr>
<tr>
<td>The data are accurate if they measure what they are intended to measure.</td>
</tr>
<tr>
<td><strong>Timeliness</strong> – How current are the data?</td>
</tr>
<tr>
<td>Data are timely when they are up to date (current) and when the information is available on time.</td>
</tr>
<tr>
<td><strong>Completeness</strong> – How much of all expected data are present?</td>
</tr>
<tr>
<td>The data are complete when the information system from which the results are derived is appropriately inclusive. They represent the complete list of eligible persons or units.</td>
</tr>
<tr>
<td><strong>Integrity</strong> – How protected are the data from manipulation?</td>
</tr>
<tr>
<td>The data have integrity when they are protected from deliberate bias or manipulation for political or personal reasons. Data integrity is assured through protocols and procedures that do not change according to the user or to when or how often data are used. These protections allow for consistent collection, measurement and reporting of the data.</td>
</tr>
</tbody>
</table>
6.2 Assessing quality of services

The Global Fund’s investments are designed to achieve measurable improvements in health. Scaling up health programs to reach more people and offer more services is a necessary step toward this overall goal, but the quality of services provided is equally important. The quality of services affects the outcomes and eventually the impact of health programs. Even when a large percentage of the target population is covered by services, poor quality health services — services not delivered according to recognized standards — will have suboptimal or even adverse effects on the health of the population covered. In addition to the risk to health, poor service quality can undermine the effective and efficient use of the available resources: it delivers poor value for money.

Quality of program services can be defined in a number of ways, depending on the focus and intent. The Global Fund has adopted the term “quality of services,” which refers to the “degree to which health services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge.” This term is distinguished from related but more specific terms such as “quality of service” or “quality of care.”

Measures are incorporated in the Global Fund performance-based funding model to build capacity in establishing and using routine mechanisms as an integral part of program implementation to ensure service quality. Quality of service will be assessed by the Global Fund at three different stages: at proposal stage, during grant negotiation and during implementation.

1. Quality of services assessment at proposal stage by the Technical Review Panel: When applying for Global Fund funding, applicants are requested to define the barriers in implementing the services of the disease program according to nationally defined standards, and to describe how the disease program will overcome these barriers. Quality improvement mechanisms should become an integral part of a disease program and funding to support those mechanisms should be made available. Interventions should be built on sound national guidelines; they require a clear design of services, leadership buy-in, local capacity to use systems improvement methods and reliable data systems. The Technical Review Panel, during the routine clarification process, retains the right to request further clarification from the country about the most relevant policies and/or guidance.

The Technical Review Panel may also clarify with the countries any concerns related to service quality, or it may choose to adjust funding recommendations for service delivery areas for which insufficient basis has been provided to ensure that programs are implemented according to internationally agreed, acceptable standards.

2. Quality of services assessment during grant negotiation: The Secretariat will assess whether the proposal has suggested any interventions that are clearly not based on sound evidence or international guidelines. The Secretariat will assess whether, for all “people reached” indicators, the service package is defined and documented according to national or international guidelines.

3. Quality of services assessment during grant implementation through the Rapid Service Quality Assessment: Developed in collaboration with major partners, starting from the first quarter of 2012, Rapid Service Quality Assessment is the standard method for routine assessment of quality of services during grant implementation. The assessment focuses on the availability of evidence-based policies and guidelines at the national level and compliance with those at the facility level. The Rapid Service Quality Assessment is implemented annually and generally in conjunction with the on-site data verification. The Rapid Service Quality Assessment results are taken into account during grant management, including the appropriate allocation of resources to support quality improvement activities. Rapid Service Quality Assessment results should also be seen in the context of performance of quality of service indicators that are referred to in the toolkit’s sections on HIV, TB and malaria.

A number of documents are available that provide guidance to decision-makers and managers at the country level on the design and implementation of effective interventions to promote quality in health systems. The WHO publication, Quality of Care. A process for making strategic choices in health systems, addresses improving the quality of health systems in general. Other documents refer more specifically to quality improvement interventions for HIV, TB and malaria programs. The WHO, for example, has a number of guidance documents that can be consulted for improving the quality of HIV prevention, testing and counseling and treatment. These documents also propose quality

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24 Key partners in the development of the Rapid Service Quality Assessment include the WHO, Roll Back Malaria, UNAIDS, and the U.S. Office of the Global AIDS Coordinator (OGAC).
standards that can be set for HIV prevention and care for people who inject drugs. This guidance can be used at any level of the health care system to implement a process to address problems identified by providers of, for example, HIV testing and counseling services. The WHO website provides additional information on global recommendations for the prevention and treatment of HIV. For TB programs, the International Standards for Tuberculosis Care (ISTC) describe a widely endorsed level of care that all practitioners should seek to achieve in managing individuals who have, or are suspected of having, tuberculosis. Malaria standards at the national level can be guided by the Jhpiego publication on scaling up malaria prevention during pregnancy and the WHO guidelines for malaria treatment, which provide global, evidence-based recommendations on case management.

To support the strengthening of quality of services at country level, the Global Fund works in collaboration with technical agencies and key global health funding institutions. These partnerships are built at global, regional and country levels. At the country level, the Country Coordination Mechanisms and relevant technical working groups are key for building partnerships and strengthening the quality of the services delivered.

6.3 Equity

Although the Global Fund has promoted equitable and rights-based approaches to health since its inception, a more systematic approach to equity has been integrated into the new grant architecture. An increased focus on equity is also essential to achieve the goals of the Gender Equality Strategy and the Strategy on Sexual Orientation and Gender Identities of the Global Fund.

Box 4. Examples of health-related dimensions of equity

**Gender** is an important component of equity and will require special attention in many settings. Because of social (gender) and biological (sex) differences, women and men face different health risks and experience different responses from health systems. Their health-seeking behavior and health outcomes differ. Moreover, gender interacts with ethnicity, class, caste and other types of social stratification and the effects of gender vary from country to country. These gender-related differences often result in unequal benefits among social groups as well as between women and men. Issues related to gender in any disease vary greatly among countries, requiring different approaches and responses, but gender relations particularly affect the spread of sexually transmitted infections. Gender-sensitive approaches (defined as efforts that aim to redress existing gender inequalities) and transformative approaches (efforts that attempt to re-define women and men’s gender roles and relations) in health program planning recognize both sex and gender differences and strive to achieve equal access for both women and men to treatment and services that respond to the disease situation.

**Geographical location** may be linked to inequities. In some settings ART services may be concentrated in urban areas, making access to ART-related health services difficult for rural residents. Access to services for other marginalized population groups living in urban slums, tribal, hilly, desert, pastoral or other hard-to-reach areas should also be considered.

**Ethnic minorities** in many countries may be living in isolated areas or be socioeconomically more disadvantaged than other populations. These geographic and socioeconomic characteristics may severely limit access to the health services they need.

There are many examples of context-specific inequities. The WHO provides guidance on monitoring equity in access to AIDS treatment programs.* Global Fund-supported programs should strive to promote universal access to key services for all populations in need — regardless of age, sex, sexual orientation and gender identity, disabilities, past or present drug use, socioeconomic status, geographical location or other such factors. M&E of services for key populations is addressed in the HIV section of this toolkit.

35. Framework Document of the Global Fund, January 2002. The Framework Document commits the Global Fund to “support proposals which … strengthen the participation of communities and people, particularly those infected and directly affected by the three diseases, in the development of proposals; give due priority to the most affected countries and communities, and to those countries most at risk; aim to eliminate stigmatization of and discrimination against those infected and affected by HIV/AIDS, especially for women, children, and vulnerable groups.”
Country Coordinating Mechanisms submitting new proposals for Global Fund financing, or preparing for grant renewal of ongoing grants, are required to assess and develop actions to address inequities, gaps and barriers in current national responses to HIV, TB and malaria in their proposals and requests for continued funding. This is an opportunity for countries to use existing data (or to identify data gaps to be filled) to inform and improve programming through effective application of the principle of “know your epidemic; know your response” as part of sound national strategic planning and programming processes. This equity assessment should be carried out in a transparent and participatory manner, reaching out to all vulnerable and marginalized populations in a given national context. This assessment should build on ongoing national efforts to address inequity in health and/or to feed into these national efforts. The equity assessment should answer the following questions:

- Which population subgroups are most affected by the disease and why are they particularly affected (i.e. what are the underlying determinants of these inequities)?
- What are the current levels of access to key services for these population groups? What are the gaps in relation to need?
- What are the main constraints or barriers to addressing inequities? These may include gaps in data availability and data use; health system barriers in accessing services; structural barriers in accessing services; legal or policy barriers; stigma and discrimination; or gaps or weaknesses in planning, programming or implementing activities.
- What are the opportunities for the Country Coordinating Mechanism to use Global Fund financing to address these gaps in the next implementation period? Or, how can the Country Coordinating Mechanism ensure that Global Fund financing does not exacerbate existing inequities? How do other partners, including government, UN agencies and civil society contribute to reducing inequities?
- How can progress be monitored in the next implementation period?

Monitoring equity, especially related to gender (including sex and/or gender identity) can be done in the following ways:

- by selecting disaggregated impact and outcome indicators, as suggested by the equity assessment. This toolkit recommends specific indicators that can be disaggregated to assess equity issues. The choice of variables and indicators, however, will be dictated by a given context and the findings of the equity assessment.
- by selecting output indicators that measure specific activities that address inequities. There is currently no list of such indicators; these should be proposed based on targeted activities and national indicator lists, whenever applicable.

- grants may include milestones in the grant workplan if data cannot be measured through indicators, such as legal or policy reforms;
- the Secretariat may propose ways to monitor progress of required activities, such as strengthening of the M&E system, to collect, analyze and use disaggregated data.

In addition, the Principal Recipient should identify opportunities for strengthening M&E systems to monitor progress toward equity. This activity should be incorporated into the grant’s M&E budget. Possible strengthening measures could be around data collection, such as disaggregation of data, population size estimates, qualitative studies to explore barriers in access for certain populations, etc.

Data disaggregation will be context-specific and should be based on the equity assessment, with separate targets, if possible, for selected key population (distinguished by sex, age, geographical location, socioeconomic status, vulnerable population, or other characteristics according to context). The indicator list in the disease sections of this toolkit specify recommended variables according to which data may be disaggregated.

Incorporating disaggregated data into the performance frameworks should start as early as Round 10 grant negotiations, when feasible. If countries are not yet able to report disaggregated data, they should plan for M&E systems strengthening (Section 3.2) during Phase 1 to determine the baseline and set targets in the next implementation period. Going forward, data disaggregation will be a requirement whenever relevant to the context and objectives of the program.

In addition, the Global Fund may request periodic reporting (once a year or once prior to periodic reviews, for example) of disaggregated results of selected indicators for global reporting needs, which may be different from those retained in the performance framework (in the performance framework, for example, disaggregation according to geographical location may be used for ART but global donor reporting requires disaggregation by sex). These variables may be used in results reports but will not affect performance evaluations of the grant.

Progress towards equity, including access, coverage and outcomes, will be assessed at the grant renewal stage (for more information on Phase 2/periodic review and performance rating, see Section 7.2). Progress towards equity will not affect the decision on the continuation of funding, but will be reflected in the recommendation category. If major risks related to equity are identified during the periodic review process, conditions or management actions may be formulated for the next implementation period. It is expected that corrective actions will be developed and implemented to address inequity during the next implementation period.

36 A concept developed by UNAIDS for planning HIV programs. More information is available at: http://hivpreventiontoolkit.unaids.org/Knowledge_Epidemic.aspx
For more detailed guidance on how to integrate equity into the grant life cycle see the document Matching resources to need: Opportunities to promote equity,37 prepared in consultation with partners.

7. Assessing performance

Performance-based funding is central to the Global Fund model to ensure that financing helps achieve desired results. Results reporting also contributes to the evidence base that is used to advocate for sustained and dependable funding at the international level (see Section 1.2). Performance is evaluated by comparing verified results to agreed-upon targets from the performance framework, as well as by considering contextual factors, such as the explanation of progress by the program and proposed corrective measures.

Section 7.1 describes the process of regular results reporting and performance-based disbursements (usually every six months). Section 7.2 provides more information about the grant renewals process (undertaken every two to three years). Through this process the additional financial commitment amount is determined for the next implementation period, based on the assessment of performance. The process of review during grant renewals also helps to identify conditions and/or management actions that need to be taken forward to the next implementation period.

7.1 Performance-based disbursements

During the lifetime of a grant, the Global Fund periodically disburses funds to the Principal Recipient based on demonstrated program performance and financial needs. The Principal Recipient’s PU/DR is both a report on the latest completed programmatic period and a request for funds for the following period. The PU/DR is reviewed by the Local Fund Agent and the Global Fund Secretariat and used as a basis for the disbursement decision. An important part of the PU/DR reporting template deals with the Principal Recipient’s programmatic progress. In this part of the PU/DR, the Principal Recipient is requested to report on periodic results for impact/outcome indicators as well as output indicators. When reporting on programmatic progress the following issues should be taken into consideration:

Data source: The data source needs to be clearly specified. The data source used to report on results needs to be the same for each reporting period and should also be equal to the baseline source used for the baseline values contained in the performance framework and/or M&E plan. This applies to data sources for output indicators as well as impact and outcome indicators. For example, if the baseline for HIV prevalence is a biological study, the reported results should be based on the same type of study.

Indicator definition and use: The reported periodic results need to reflect interventions and target groups specified in the indicator definition. No additional interventions or clients reached from target group other than the one indicated in the definition should be reported.

Tied/untied indicators: Results need to correspond to how the targets have been agreed upon in the performance framework. When targets are tied to the Global Fund, only results achieved through activities funded by the Global Fund should be reported. National results, or those achieved through funding from both the Global Fund with other donors, will be reported when indicators are untied.

Reporting on people versus contacts: It should be clear whether the indicators monitor the number of individual clients or repeated contacts with the same clients. For example, when reporting on the indicator “number of men who have sex with men reached with HIV prevention programs,” reported results need to reflect the number of individual clients reached.

Reporting on numbers and percentages: When targets are defined as percentages, the indicators should always be reported both as absolute numbers (numerator/denominator) and as percentages. The results should report the actual denominator value, even if an estimate was used during target setting.

Accumulation: Reported results should be cumulated over reporting periods the same way the targets were specified in the performance framework. The accumulation of projected targets and reported results should be clearly explained and agreed upon by the sub-recipients.

Underperformance and overperformance: In cases where there is underperformance or considerable overperformance of the targets set in the performance framework (for example more than 200 percent overperformance), the Principal Recipient should carefully investigate these cases and provide detailed clarifications for each relevant indicator in the comments section of the PU/DR explaining the deviation from the targets set in the performance framework. The PU/DR reporting template also contains a section on grant management. In this section the Principal Recipient is asked to comment on: (1) the fulfillment of conditions precedent and/or special conditions under the grant agreement and (2) progress made in terms of follow-up to outstanding management actions from previous disbursement. These types of conditions and management actions can include a variety of management issues including those related to M&E, data quality and quality of services. It is important that the Principal Recipient provides detailed information

explaining how outstanding issues have been addressed to improve grant management.

Consistent with its performance-based funding model, the Global Fund Secretariat routinely assesses grant performance and links the outcome of this assessment to a disbursement decision. The objectives of the grant performance rating and disbursement decision-making methodology are to: (1) ensure a consistent assessment of grant performance and (2) strengthen the relationship between grant performance and funding decisions.

The Secretariat’s disbursement decision-making process is explained in Figure 5.

**Step 1 - Calculate the indicator rating.** The rating is calculated based on the percentage of progress achieved toward the quantitative targets for indicators agreed on in the performance framework of the grant agreement. The Secretariat may upgrade or downgrade this quantitative rating if it does not adequately reflect the programmatic performance of the grant. Indicator ratings are presented in Table 7 on page 28.

**Step 2 - Identify management issues.** The Secretariat assigns a rating to each functional area (monitoring and evaluation, program management, financial management, pharmaceutical and health products management) related to the management of the grant, according to the following classification scheme:

- **No Issues**;
- **Issues to be reported**;
- **Major Issues**.

**Step 3 - Derive the performance rating**, based on the indicator rating and the assessment of management issues. The indicator rating is the default rating for the PR. However, the indicator rating should be downgraded if major management issues are identified.

**Step 4 - Determine an indicative disbursement range**, according to pre-established thresholds that relate performance to the disbursement decision. Disbursement ranges are provided in Table 7 on page 28.

**Step 5 - Decide on the final disbursement amount.** The disbursement ranges are only indicative and serve as a starting point for the Secretariat’s disbursement decision. There may be valid reasons for disbursing outside the indicative disbursement ranges, and these are considered when deciding on the final disbursement amount (for example, anticipated catch-up on program implementation, budgeted expenditures incurred earlier or later than expected or savings identified from original budget).

Ultimately, the final disbursement amount is based on:

- overall grant performance (i.e. programmatic and managerial);
- contextual factors (for example, force majeure, such as a natural disaster, or political and civil issues at the country level);
- real budget needs in the context of spending ability;
- actions needed to address identified weaknesses in management capacity.
7.2 Grant renewal

After the first implementation period of the grant (two years for grants under the old architecture and up to three years for those under the new architecture), the grant will go through the process of grant renewal. There are three kinds of grant renewals at the Global Fund. Although the underlying principles remain the same, each of these three renewals processes has its own specificities:

Phase 2 renewal process: Under the old architecture, Global Fund grants are divided into two phases, the initial two-year period (Phase 1); and the subsequent period (Phase 2) from the end of the second year to the end of the period covered by the approved proposal (typically, an additional three years). Toward the end of Phase 1, the Global Fund conducts a thorough review to ensure that grant funding is managed and spent effectively and that programs are achieving expected results. The Global Fund decides to continue or accelerate implementation, reduce funding, invest in systems strengthening and have transitioned to a single stream of funding (SSF), will be required to go through a periodic review at least six months before the end of each implementation period. The purpose of periodic reviews is to determine the additional financial commitment amount for each SSF for the next implementation period, based on the assessment of SSF performance. The reviews also can identify conditions and/or management actions that need to be taken forward to the next implementation period.

RCC grants are currently in progress and will continue implementation until the end of the six-year grants. The approved RCC proposals are evaluated at the end of the first three years of implementation to make continued funding decisions for the remaining three years of the approved RCC proposal. Assessment of progress on identified outcome and impact indicators in the performance framework is central to decision-making and may result in upgrading or downgrading the overall performance rating and recommendation category.

Periodic review: As part of the new grant architecture, all Global Fund grants that support a country’s national disease control program and/or health and community systems strengthening and have transitioned to a single stream of funding (SSF), will be required to go through a periodic review at least six months before the end of each implementation period. This section will provide more detail on the process of periodic review, which will be used by most SSFs as the portfolio transitions to the new architecture.

Periodic reviews consider the programmatic, financial and managerial performance of each grant, including a systematic analysis of impact and outcome, to determine progress toward proposal goals. This process will also include an assessment of key Principal Recipient performance; program-level risks, especially regarding value for money, equity and aid effectiveness; and broader program governance issues, including oversight of the Country Coordinating Mechanism.

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38 The month of the periodic review is indicated in the SSF agreement and it refers to the month in which the Grant Renewals Panel makes its recommendation to the Board.

39 Aid effectiveness analysis rests on five key principles as set up in the Paris Declaration on Aid Effectiveness. For more information see: http://www.theglobalfund.org/en/performance/effectiveness/aideffectiveness/
In making its additional financial commitment recommendation, the Global Fund Secretariat follows a seven-step performance-based funding methodology, the components of which are outlined in Figure 6.

**Step 1. Programmatic achievements:** A program’s success in reaching target populations with key services is the primary factor in deriving the performance rating of a single stream of funding (SSF) grant. An assessment of programmatic achievements, which are defined in the performance frameworks of SSF grant agreements, starts with the calculation of the indicator rating based on output indicator results vs. targets. The indicator rating at periodic review is based on cumulative performance in the current implementation period up to results reported at the cut-off date (usually one year before the end of each implementation period). As in the case of the indicator rating at disbursement, the Secretariat may upgrade or downgrade this quantitative rating if it considers that it does not adequately reflect the programmatic performance of the grant.

**Step 2. Quality of data and services:** The Secretariat assigns a rating for data quality and a rating for quality of services according to the following classification scheme:

- **No Risks**
- **Minor Risks**
- **Major Risks**

**Step 3. SSF management:** The Secretariat also assigns a rating to each functional area (monitoring and evaluation, program management, financial management, pharmaceutical and health products management) related to the management of the SSF, according to the following classification scheme:

- **No Issues**
- **Issues to be reported**
- **Major Issues**

The performance rating is determined by these three categories. However, programmatic achievements (Step 1) could be downgraded due to major risks related to quality of data and services (Step 2) and/or major issues in terms of SSF management (Step 3).

The performance ratings are listed in Table 7 on page 28.

**Step 4. Progress toward proposal goals:** In periodic reviews, impact and outcome assessment becomes a material part of the decision. In doing so, the Global Fund does not seek to attribute disease impact to a specific SSF. The focus of the assessment is rather to establish whether the national disease program supported by the Global Fund is progressing toward its stated goals, under the assumption that each PR, together with other stakeholders, contributes to the observed progress. Based on a comprehensive review of: (1) trends in impact and outcome results for indicators selected in the performance framework, and (2) additional data and analysis on impact and outcome (including coverage) supported by program reviews/evaluations and other sources, progress towards proposal goals is categorized according to the following classification scheme for each program:

- **Demonstrated impact**
- **Progress towards proposal goals**
- **No progress towards proposal goals**

**Step 5 - Conditions and management actions:** As part of this step, all risks that have a high probability of compromising future SSF performance and/or the ability to achieve the goals of the proposal are analyzed. Depending on their gravity and potential impact on performance, conditions or management actions are identified to address them. Risks resulting in conditions or management actions can include, among others, program-level risks identified through an analysis of overall program effectiveness.
The recommendation category (and related Conditions or Management Actions, if any) is determined by the SSF performance rating (steps 1 to 3), progress towards proposal goals (step 4) and major risks (step 5), if any, according to the matrix in Figure 7.

The Recommendation Category can be revised if exceptional and unexpected changes of contextual factors beyond Principal Recipient or Country Coordinating Mechanism’s control negatively affect the implementation.

Recommendation categories are listed in Table 8.

**FIGURE 7.** Recommendation categories based on performance rating, proposal goals, and major risks

<table>
<thead>
<tr>
<th>SSF Performance</th>
<th>Proposal goals</th>
<th>Major risks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demonstrated impact</td>
<td>Progress towards proposal goals (including programmatic coverage and outcome)</td>
</tr>
<tr>
<td>A1</td>
<td>GO Accelerate *</td>
<td>GO*</td>
</tr>
<tr>
<td>A2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B2</td>
<td>Conditional GO or No GO</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>No GO</td>
<td></td>
</tr>
</tbody>
</table>

* Please note that the application of the “Go Accelerate” recommendation category is pending until further Global Fund Board deliberation.

** Strong-performing grants with no progress towards proposal goals will be asked to resubmit their request to address reasons for lack of progress.

**TABLE 8.** Recommendation categories at grant renewal

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Go Accelerate</td>
<td>Additional financial commitment for the next implementation period, including eligibility for scale-up funds to expand the program</td>
</tr>
<tr>
<td>Go</td>
<td>Additional financial commitment for the next implementation period</td>
</tr>
<tr>
<td>Conditional Go</td>
<td>Additional financial commitment for the next implementation period conditional on fulfillment of Board conditions</td>
</tr>
<tr>
<td>Revised Request</td>
<td>Additional financial commitment for the next implementation period subject to Technical Review Panel review of CCM request entailing reprogramming (vis-à-vis originally approved proposal)</td>
</tr>
<tr>
<td>No Go</td>
<td>No additional financial commitment and discontinuation of funding</td>
</tr>
</tbody>
</table>
Step 6. Financial efficiency in the current implementation period: this step aims at understanding whether resources committed in the current implementation period have been used to maximize programmatic achievements. This is one of the key factors in assessing the value for money of the interventions and in determining the amount to be committed in the next implementation period.

Step 7. Reasonableness of the budget for the next implementation period: this step aims at reviewing the budget presented by the CCM for the next implementation period to assess its reasonableness and inform the final decision on the additional financial commitment amount for each SSF.

The additional financial commitment is determined based on steps 1 to 7 above. Indicative investment ranges support the commitment decision in order to ensure that the relationship between results achieved and funds committed in the next Implementation Period is clearly addressed in the recommendation. These ranges are only indicative and there are many valid reasons to recommend an amount outside these ranges. The ranges are listed in Table 9.

For more information, please refer to the Operational Policy Note on periodic reviews, which is contained in the Operational Policy Manual.40

8. Program reviews, evaluations and implementation research

Routine surveillance reporting systems, program reviews, evaluations, and implementation/operations research are essential components of a comprehensive M&E system. These activities complement routine program monitoring data and synthesize qualitative and quantitative data into evidence-based information for decision-making. These activities differ in terms of timing during the program cycle, methods and approaches, type of information generated, and resource requirements. Countries should consider potential operations research, program reviews and evaluation needs in their national planning schedules and earmark sufficient funds in their M&E budget. Requests for funding to support these activities should be included in Global Fund proposals.

8.1 Program reviews

A national program review is a comprehensive, systematic assessment of the overall national response to a disease or of the efforts to strengthen health or community systems, carried out jointly with relevant stakeholders and partners and as an integral part of a national strategic programming cycle. A program review provides program managers with the opportunity to review the continuing relevance of programs; interim results with regard to performance indicators; the effectiveness of the approach used to produce results; the efficiency of program management, including the delivery of inputs and activities with regard to quality, quantity, and timeliness; and the need for corrective actions. The review process itself is useful for overcoming delivery bottlenecks by ensuring that corrective action is undertaken in a timely manner.

The term “evaluation” is often used to describe an assessment that is more ambitious in scope or depth than a “review.”41 However, the terms review and evaluation are sometimes used interchangeably.

The objectives of a comprehensive program review include:
- reviewing the epidemiology of the disease;
- reviewing program performance by intervention thematic areas and by service delivery levels;
- assessing progress toward national, regional and global targets;
- defining the next steps for improving program performance or redefining the strategic direction and focus, including revising policies and strategic plans.

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Planning and coordination: Some countries have processes in place for undertaking comprehensive assessments of their national disease programs (for example, joint health sector reviews or national program reviews). The scope of such national reviews, as well as their rigor, inclusivity and frequency vary considerably across regions and countries. Countries are encouraged to strengthen and use existing review processes as much as possible. Typical phases of a program review are provided in Box 5. The quality and rigor of a review depends on the planning and quality of preparation, especially in compiling the thematic reports for the external reviewers. The field reviews often occur over one to two weeks. Ideally, the program review report will be available no later than one month after the completion of field work.

Methodological considerations: High-quality routine and non-routine data should be made available for program reviews to inform the analysis and decision-making process. The review is an opportunity to validate and analyze results obtained through routine program data, surveys and surveillance. Appropriate outcome and impact indicators, collection methods and tools for the analysis should be selected in accordance with technical guidance available for each disease.

Roles and responsibilities: The roles and responsibilities of Country Coordinating Mechanism, Principal Recipients, sub-recipients and other in-country stakeholders, including donors and technical partners, should be determined during the planning process. In doing so, the country should consider the need to ensure a balance among the principles of country ownership, inclusiveness, technical rigor and objectivity. It is advisable to nominate a technical steering group that guides and oversees planning and implementation of the elements of the review and follows up on recommendations. Box 6 lists the key elements of a program review and the steps involved in the planning process.

Follow-up: The findings of the review are summarized in a review team report that is shared with the relevant stakeholders for consensus and follow-up. Successful follow-up of recommendations will be improved through robust planning and preparation with relevant partners and stakeholders. During this process, commitment to and ownership of the annual review process and the review recommendations can be generated.

Global Fund periodic reviews

As part of the new grant architecture, before the end of each implementation period, SSFs are required to undergo a periodic review. Periodic reviews are a Global Fund process to assess the performance and impact of supported programs. The Global Fund adopts the performance-based funding methodology at the time of periodic review to determine the additional commitment for the next implementation period. Nearly 50 SSF grants are scheduled for periodic review in 2011 and 2012.

At periodic reviews, outcome and impact assessment becomes a material part of the continued funding decision matrix, with a clear link to the recommendation category. While there is no intent to directly attribute outcome or impact results to the underlying SSF grants or to the Principal Recipient(s), the investment decisions will be influenced by the countries’ progress toward the objectives and goals of the respective proposals.

BOX 5.
Phases of a program review

<table>
<thead>
<tr>
<th>Phase 1: Planning</th>
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<tbody>
<tr>
<td>Phase 2: Internal thematic desk review</td>
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<tr>
<td>Phase 3: Joint program field reviews</td>
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<tr>
<td>Phase 4: Final report, follow-up of recommendations, updating policies and plans and re-design of program</td>
</tr>
</tbody>
</table>

BOX 6.
Key elements of a program review and planning process

1. Planning for implementation: steering or advisory committee
- Establish a technical working group to oversee the annual review;
- Develop terms of reference for the review;
- Mobilize human and financial resources;
- Constitute the review team of consultants;
- Develop terms of reference for the team;
- Prepare contracts with clear outputs and expectations;
- Prepare implementation plan for the review;
- Plan logistics – field visits, workshops or meetings and transport;
- Plan for the follow-up.

2. Data collection

3. Data analysis and synthesis of findings

4. Data dissemination: feedback and follow-up

5. Data utilization to inform policy and program direction
8.2 Evaluations

Evaluation is defined as a systematic and objective assessment of an ongoing or completed program or policy, its design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, development efficiency, effectiveness, impact and sustainability. An evaluation should answer specific evaluation questions and should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors. Evaluation also refers to the process of determining the worth or significance of an activity, policy or program.42

The Global Fund will address different evaluation questions through three main approaches, namely: (1) program reviews and evaluations to assess the performance, efficiency and quality of the programs it supports; (2) thematic evaluations to assess the success and impact of key initiatives; (3) impact evaluations at country and global levels to assess the health and socioeconomic impact of Global Fund investments (Figure 8).

Program evaluations

Beginning in 2011, the Global Fund will implement program evaluations in selected countries. Program evaluations incorporate more robust methodology than program reviews. To ensure greater independence from country processes, the evaluations will be commissioned by the Global Fund Secretariat and conducted jointly by the Secretariat’s M&E Unit, country partners and international agencies. Where possible, the program evaluations will build on program reviews already planned by countries and partner institutions.

Several standard criteria are recommended for assessing the merit or worth of program interventions.43 Some of these criteria and related evaluation questions are given in Box 7 on page 34.

Thematic evaluations

Thematic evaluations examine and aggregate information on a specific theme. They look across the portfolio of investments to examine wider systems effects, including health systems strengthening and institutional development, gender and human rights. The Global Fund will undertake a series of thematic evaluations in relation to specific strategic initiatives.

Impact evaluations

Health impact evaluation is intended to assess the collective contribution of national governments, the Global Fund and partners to the scale-up of prevention and treatment activities and in the reduction in overall disease burden. This evaluation seeks to demonstrate a cause-and-effect relationship to changes in outcomes. Direct attribution of Global Fund-specific investments to reductions in disease burden is not a focus of these evaluations.

The Global Fund will work with partner institutions to undertake country and portfolio level impact evaluations. Furthermore, the Global Fund proactively encourages countries to incorporate evaluation methodologies into grant design and implementation, especially in large grants in countries with high disease burden. Prospective impact evaluations, developed when a program is designed and built into program implementation, are more likely to produce strong and credible evaluation results.

Global Fund Evaluation Strategy 2012 - 2016

Acknowledging the new Global Fund Strategy for 2012-2016, and taking into account the rapid growth of the Global Fund portfolio and the increasing need to demonstrate the results and impact of investments, the

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BOX 7. Criteria and broad evaluation questions for program evaluations

<table>
<thead>
<tr>
<th>Relevance: The extent to which a development intervention conforms to the needs and priorities of target groups and the policies of recipient countries and donors:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Are investments in line with country needs?</td>
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<tr>
<td>Effectiveness: The extent to which an intervention has achieved its objectives, taking their relative importance into account:</td>
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<tr>
<td>• Has the availability (coverage and access) of services increased?</td>
</tr>
<tr>
<td>• What is the quality and integrity of data used in assessing performance of programs?</td>
</tr>
<tr>
<td>• To what extent have national programs achieved their targets?</td>
</tr>
<tr>
<td>Efficiency: The extent to which the costs of an intervention can be justified by its results, taking alternatives into account:</td>
</tr>
<tr>
<td>• Are investments allocated efficiently?</td>
</tr>
<tr>
<td>• To what extent do investments achieve value for money?</td>
</tr>
<tr>
<td>Impact: The totality of the effects of a development intervention, positive and negative, intended and unintended:</td>
</tr>
<tr>
<td>• What is the impact of investments on disease-related morbidity and mortality, at the population level and in key client groups?</td>
</tr>
<tr>
<td>• How have investments strengthened health systems within countries to improve outcomes for the three diseases, particularly for key client groups?</td>
</tr>
<tr>
<td>• Are investments equitable?</td>
</tr>
<tr>
<td>• What are the health and socioeconomic impacts of donor investments on HIV, TB and malaria?</td>
</tr>
<tr>
<td>Sustainability: The continuation or longevity of benefits from a development intervention after the cessation of development assistance:</td>
</tr>
<tr>
<td>• What are the long-term investments needs to sustain and scale-up interventions in HIV, TB and malaria?</td>
</tr>
<tr>
<td>• To what extent are donor investments additional to domestic funding?</td>
</tr>
</tbody>
</table>

Global Fund is currently developing a new Evaluation Strategy for 2012 – 2016. The new strategy, while reaffirming the Global Fund performance framework, identifies a broader scope for Global Fund evaluations. It aims to create a strong evaluation system tailored to Global Fund needs. The Strategy is designed to provide necessary intelligence to support implementation of the Global Fund Strategy and the reform agenda for a “More Efficient and Effective Global Fund.” The main objectives of the Evaluation Strategy are given in Box 8.

8.3 Implementation research

Implementation research, often referred to as operations or operational research, informs and improves access to effective interventions by developing practical solutions to common, critical problems in implementing these interventions. Implementation research should be scientifically sound and its results should contribute to overall program design and implementation. Many global implementing partners and technical agencies, such as the WHO and the Office of the U.S. Global AIDS Coordinator, have been promoting and advocating implementation research activities in countries by providing technical assistance, capability building initiatives and financial resources to augment current research options. The Global Fund, as a major funder in global health, has been providing financial support for country applicants to conduct implementation / operational research, mostly as part of the M&E budget. This research serves an important role in the grant assessment process.