



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Mid-Term Review of the Second Voluntary Replenishment 2008-2010
Cáceres, Spain, 30 March - 1 April 2009

PROGRESS REPORT ON AID EFFECTIVENESS

The Global Fund signed the Paris Declaration on Aid Effectiveness in 2005, along with over 100 partner and donor countries, to improve the effectiveness of development aid by encouraging progress on the five Paris principles: ownership, harmonization, alignment, managing for development results and mutual accountability. As an international financing institution that is not directly involved in implementation, the Global Fund is committed to closely working with countries and its health and development partners to ensure that the programs it funds are effective and in line with the Paris Principles.

The contribution of Global Programs to development was recognized at the Accra High Level Forum

“Global funds and programs make an important contribution to development. The projects they fund are most effective in conjunction with complementary efforts to improve the policy environment and to strengthen the institutions in the sectors in which they operate. We call upon all global programs to support country ownership, to align and harmonize their assistance proactively and to make good use of mutual accountability frameworks, while continuing their emphasis on achieving results.”
(Accra Action Agenda, 2008)

The guiding principles of the Global Fund are fully aligned with the principles of the Paris Declaration: country ownership; alignment; harmonization; managing for results and mutual accountability. The Global Fund actively tracks its progress against the principles of the Paris Declaration, specifically against the targets set for 2010. The Global Fund is committed to transparent measurement of this effort and to continually learn from the process of aligning its practices with the principles, including:

- i. Participation in the Measurement Working Group, working with the Organization for Economic Cooperation and Development (OECD) to develop, implement, and pilot the survey instrument for the Paris Declaration.
- ii. Incorporating global programs into aid effectiveness working groups through convening the Global Programs Learning Group.¹ The Global Fund is convener and delegated representative for global programs from a variety of sectors including agriculture, environment, urban affairs, education and health. This group shares best practices and challenges to improving effectiveness of aid to countries.

¹ The Global Programs Learning Group includes the Global Alliance for Vaccines and Immunization, the Global Environment Facility, the Fast-Track Initiative for Education, the Cities Alliance, the Consultative Group for International Agriculture Research and the Global Fund to Fight AIDS, Tuberculosis and Malaria.

- iii. Measurement of the Paris Declaration indicators and transparent publication of baseline, results and 2010 targets in a timely manner.
- iv. A commitment to an internal action framework to improve effectiveness of aid to countries based on a review of procedures.

GLOBAL FUND ACTIONS TO IMPROVE AID EFFECTIVENESS

In 2007, the Global Fund began to review its practices in aid effectiveness in line with the Paris Declaration, and developed a paper which reviewed policies and practices with an aid effectiveness lens. This was shortly followed by an independent study which analyzed how the Global Fund policies and practices could be refined to enhance concordance with the five principles of the Paris Declaration.

These recommendations informed an action agenda developed in 2008 and currently in the first stages of implementation:

- **National strategy applications** to simplify application and reporting procedures by harmonizing support to one national strategy with a first learning wave planned for 2009.
- **Performance lines of credit, building on the Rolling Continuation Channel** for successful programs to allow countries to access continuous funding based on financial and programmatic performance. This is being implemented as part of the Architecture project in 2009.
- **Dual-track financing** to maximize channels for delivery in countries by directly financing civil society and non-state actors. This has been implemented in 2008.
- **Salary support policy** for program staff at country level to ensure better harmonization with partners. Policy approved in 2009.
- **Communication strategy** to Country Coordinating Mechanisms (CCMs) and those outside the health sector to encourage collaboration.

MEASURING AID EFFECTIVENESS FOR THE GLOBAL FUND

Aid effectiveness actions for the Global Fund are based on transparent measurement and assessment of its progress against the Paris principles. The strengths and weaknesses are summarized in the table below.

Paris Declaration Principle	THE GLOBAL FUND'S AID EFFECTIVENESS SCORECARD ³	Results and Targets in participating countries ²			
		2005 results (n=32)	2007 results (n=32)	2007 results (n=54)	2010 targets
Ownership and Alignment	Aid recorded on budget	15%	35%	23%	85%
	Grants aligned with country cycles	62%	62%	62%	90%
	Use of country financial management systems	39%	44%	39%	59%
	Use of country procurement systems	33%	59%	56%	55%
	Use of parallel program implementation units	16%	8%	13%	5%
Aid is predictable and untied	Actual/expected disbursements	90%	98%	95%	95%
	Aid recorded as scheduled	16%	35%	30%	60%
	Aid is untied	100%	100%	100%	100%
Harmonization with partners	Support to program-based approaches	74%	79%	68%	66%
	Joint missions with other donors	15%	15%	14%	40%
	Joint country studies with other donors	50%	17%	22%	50%
Managing for results and accountability	Transparent and monitorable performance frameworks	100%	100%	100%	100%
	Grants aligned to national monitoring and evaluation systems	73%	82%	82%	90%

THE GLOBAL FUND STRENGTHS AND AREAS FOR IMPROVEMENT

Untied and largely predictable financing for recipients
Strong emphasis on managing for results and accountability
Financing model supports a program approach with fewer parallel structures
Support to countries to build monitoring, evaluation and performance systems

While overall numbers are low, missions and country-level analytic work can be better coordinated with development partners
Use of national auditing procedures can be improved
Relationships between sectoral and finance ministries
Lack of consistent approach in grants financed in relation to salary support and incentives

² In 2005, 32 countries receiving GF financing were elected to the OECD monitoring process. In 2007, these countries participated in a second monitoring exercise to assess progress. During this second monitoring exercise, an additional 22 countries joined the monitoring effort, expanding the total to 54 countries currently participating.

³ Colours identify progress 2007 (n=54) results relative to targets: under 30% - red; 30% to 59% - orange; 60% to 89% - yellow; above 90% - green.