

# Operational Procedures

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## Oversee Implementation and Monitor Performance

**Approved on:** 22 April 2022; Updated 7 May 2024

**Approved by:** Executive Grant Management Committee

**Process Owner:** Grant Portfolio Solutions and Support Department

**Associated OPN:** OPN on Oversee Implementation and Monitor Performance

### Metrics for Oversee Implementation and Monitor Performance

Principal Recipients (PRs)<sup>1</sup>, Local Fund Agents<sup>2</sup> (LFAs) and Country Teams (CTs) are expected to meet the following deadlines (if applicable):

- PR submits Pulse Check (PC) within 35 days, Progress Update (PU) within 45 days<sup>3</sup> and Progress Update Disbursement Request (PUDR) within 60 days from last reporting period end-date.
- LFA submits findings and recommendation(s) 20 days from the receipt of the PU and PUDR.
- CT issues the Performance Letter and Performance Rating within 110 days from the PUDR reporting period end-date.

## Purpose and Overview

1. This document provides procedural guidance on how the Global Fund Secretariat oversees implementation and monitors performance. The specific grant deliverables set out in these procedures do not apply to Focused portfolios, unless explicitly stated (see also Annex 1 of the OPN on Oversee Implementation and Monitor Performance).
2. The table below gives an overview of these Operational Procedures' content. Readers press "Ctrl + click" on the section or process steps to directly view content.

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<sup>1</sup> Unless defined in this Operational Policy Note or the context otherwise requires, all capitalized terms used in this Operational Policy Note shall have the same meaning set out in the Global Fund Grant Regulations.

<sup>2</sup> Throughout this document, references to LFAs also include other assurance providers.

<sup>3</sup> In this OPN, 'days' refers to calendar days, unless otherwise stated.

A. Implementation Oversight by the Country Team			
PLAN	TAKE ACTION	MONITOR	ASSESS
Define Implementation Oversight Priorities	Oversee Grant Delivery	Collect Information and Review Progress	Performance Rating: Assess Grant and PR Performance
	Oversee PR Operations		Communicate Assessment and Required Actions
			Support In-Country Program Review and Evaluation
B. Global Portfolio Oversight by Business Risk Owners and Senior Management			
C. Monitoring the Process			
Annex 1. Acronyms			
Annex 2. Recommended Elements for a PR Annual Implementation Work Plan			
Annex 3. Performance Rating Methodology			

## A. Implementation Oversight by the Country Team

1. Define Implementation Oversight Priorities				
Grant Deliverables	HI & Core	Focused	Timeline	Responsibilities
1.1 Oversight and assurance activities identified  e.g. Data quality review (DQR), verifications, spot checks, in-country program reviews or evaluations	R <sup>4</sup>	R <sup>5</sup>	Oversight activities: Annually as part of portfolio work planning of the CT and in line with LFA Budgeting timelines (if applicable)  Assurance activities: Initiated during grant-making and finalized at the start of grant implementation. Updated on an annual basis prior to the annual LFA budgeting exercise or when triggered by specific events.	<u>Oversight activities:</u> Prepared by: CT Approved by: FPM (and DFM, if applicable <sup>6</sup> )  <u>Assurance activities:</u> Prepared by: CT Approved by: defined approval authorities as per - Assurance Guidelines - Budgeting Guidelines for LFA Services - <a href="#">Guidelines for Financial Assurance Planning for Global Fund Grants</a>

<sup>4</sup> R = Required

<sup>5</sup> Only for LFA work planning and budgeting.

<sup>6</sup> DFM is currently applicable to Nigeria, Democratic Republic of Congo and India Portfolios. The DFM undertakes initial review and recommends to the Senior FPM.

1.2 Regular engagements with country planned	BP <sup>7</sup>	BP	As needed	Planned by: FPM (or DFM, if applicable), in consultation with the CT
1.3 Oversight, assurance activities and country engagements captured in existing CT work plans	BP	Not required	Oversight activities: Annually as part of portfolio work planning of the CT Assurance activities: Initiated during grant-making and finalized at the start of grant implementation. Updated on an annual basis prior to the annual LFA budgeting exercise or when triggered by specific events.	Prepared by: CT Approved by: FPM (and DFM, if applicable)

2. Oversee Grant Delivery				
Grant Deliverables	HI & Core	Focused	Timeline	Responsibilities
2.1 Oversight and assurance activities implemented and adjusted (if applicable)	R	R	Ongoing	Implemented by: CT
2.2 Required CT actions to address implementation challenges identified and delivered (if applicable), such as:	R	R <sup>8</sup>	If applicable	Implemented by: CT
- Disbursements adjusted (if applicable)			If applicable	As per the Operational Procedures on Annual Funding Decisions and Disbursements
- Technical and Implementation Support facilitated (if applicable)			If applicable	
- Revision(s) completed (if applicable)			If applicable	As per the Operational Procedures on Revise Grants
- Additional funds requested through Portfolio Optimization <sup>9</sup> (if applicable)			According to Portfolio Optimization windows <sup>10</sup>	As per the Operational Procedures on Portfolio Optimization (forthcoming)
2.3 Status of grant requirements <sup>11</sup> and key mitigating actions tracked in IRM - Required follow-up actions determined (if not fulfilled) - New grant requirements or key mitigating actions determined (if applicable)	R	Not required	Ongoing, but at minimum during review of PU/DR	Reviewed and tracked by: PO  New requirements or actions approved by: FPM (and DFM, if applicable)

<sup>7</sup> BP = Best Practice

<sup>8</sup> Light and Legacy models only.

<sup>9</sup> If grant is positioned to accelerate implementation and where funds are available.

<sup>10</sup> Depending on availability of funds.

<sup>11</sup> Includes co-financing requirements.

2.4 TRP issues due during grant implementation and delegated to the Secretariat are addressed and updated in GOS within the specified date	R	R	Ongoing	See <a href="#">Operational Procedures on the Design and Review of Funding Requests</a>
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3. Oversee PR Operations				
Grant Deliverables	HI & Core	Focused	Timeline	Responsibilities
3.1 PR Annual Implementation Work Plan	BP	Not required	Prior to start of next execution period	Prepared by: PR
3.2 CT Inputs to PR Annual Implementation Work Plan  See Annex 1 on Recommended Elements for a PR Annual Implementation Work Plan	BP	Not required	Prior to start of next execution period	Prepared by: PO, with inputs from CT and support from LFA (if applicable)
3.3 Oversight and assurance activities implemented and adjusted (if applicable)	R	R	According to timelines in existing CT work plan	Prepared by: - LFA or other assurance provider - PO or FPM (Focused) - Reviewed by: - PO or FPM (and DFM, if applicable) - Other Country Team members (if applicable)
3.4 Required capacity strengthening measures identified and agreed with PR and/or CCM, (if applicable), such as:	R	R <sup>12</sup>	Following the outcome of assessments from assurance activities	Facilitated by: FPM (and DFM, if applicable), with inputs from CT, CCM and partners (if applicable)

<sup>12</sup> Light and Legacy models only.

<ul style="list-style-type: none"> <li>- Decision to outsource PR responsibilities through, for example:               <ul style="list-style-type: none"> <li>- Fiduciary/Fiscal/Payment Agent</li> <li>- Procurement Agent</li> <li>- Use of Pooled Procurement Mechanism (PPM)</li> </ul> </li> </ul>			<p>As per <a href="#">Global Fund Guidelines on Financial Risk Management</a></p> <p>As per the OPN and Procedures on Pooled Procurement Mechanism</p>	
<ul style="list-style-type: none"> <li>- Decision to change PR/SR (if applicable)</li> </ul>			<p><u>Change of PR:</u></p> <ul style="list-style-type: none"> <li>- Approved as per the OPN and Operational Procedures on Grant Revisions</li> </ul> <p><u>Change of SR:</u></p> <ul style="list-style-type: none"> <li>- Approved by PR</li> </ul>	
<ul style="list-style-type: none"> <li>- Additional Safeguard Policy invoked or revoked (if applicable)</li> </ul>			<p>Refer to OPN on Additional Safeguard Policy</p>	
<p>3.5 Recoveries managed</p>	<p>R</p>	<p>R</p>	<p>Following the review of the PU/DR, Audit Report, spot check, an investigation by the Office of the Inspector General, or other source or process (if applicable)</p>	<p>Refer to the <a href="#">Guidelines for Grant Budgeting</a> and the OPN on Recovery of Grant Funds</p>

4. Collect Information and Review Progress				
Grant Deliverables	HI & Core	Focused	Timeline	Responsibilities
<p>4.1 PR reports submitted and reviewed:</p>				
<ul style="list-style-type: none"> <li>- Pulse Check<sup>13</sup> (covers first and third quarters of an IP year)</li> </ul> <p>Submitted to the Global Fund through Partner Portal</p>	<p>R</p>	<p>Not required</p>	<p><b>CT definition of scope of reporting:</b></p> <ul style="list-style-type: none"> <li>- Non-mandatory coverage indicators selection defined and captured in GOS by 30 April of the first IP year</li> </ul>	<p><u>Defining scope of reporting</u></p> <p>Non-mandatory coverage indicators selection defined by: CT (FPM with CT Specialists)</p> <p><u>Completing Pulse Check</u></p> <p>Prepared by: PR</p>

<sup>13</sup> Refer to the [Guide for PRs on Completing and Submitting Pulse Checks](#) for more information.

			<p><b>PR submission:</b> Completed within 35 days from the end of the last reporting period</p> <p><b>Data validated by:</b> Following PR submission</p>	<p>Reviewed and validated by:</p> <ul style="list-style-type: none"> <li>- GFM Service Center/PST Specialist: reviews and validates financial information</li> <li>- (<i>optional</i>, only if requested by GFM Service Center) Finance Specialist validates financial information</li> </ul> <p>Approved by: Financial information (<i>optional</i>, only if requested by Finance/PST Specialist): GFM</p>
<p>- PU<sup>14</sup> (Covers first semester of each IP year)</p> <p>Submitted to the Global Fund through Partner Portal</p>	R	Not Required	<p><b>CT definition of scope of reporting and assurance:</b></p> <ul style="list-style-type: none"> <li>- Annual Health Product Procurement and Supply Chain Management (PSCM) targets for the IP year set before the end of previous IP year<sup>15</sup></li> <li>- LFA assurance scope defined and captured in GOS by 30 April of the first IP year</li> </ul> <p><b>PR submission:</b> Completed within 45 days from the end of the last 6-month reporting period</p> <p><b>LFA submission (if applicable):</b> Completed within 20 days from receipt of PU/DR</p> <p><b>Data validated by:</b> Within 80 days from the end of the last 6-month reporting period</p>	<p><u>Defining scope of reporting and assurance:</u></p> <ol style="list-style-type: none"> <li>1. PSCM targets definition and setting in Global Fund systems: <ul style="list-style-type: none"> <li>- Discussed and agreed by: CT and PR</li> <li>- Formally communicated to the PR via email by: CT</li> <li>- Agreed PSCM targets captured in GOS by: HPM Specialist</li> </ul> </li> <li>2. LFA assurance scope defined by: CT (FPM with CT Specialists)</li> </ol> <p><u>Completing PU</u></p> <p>Prepared by: PR</p> <p>(if applicable) Reviewed and verified by:</p> <ul style="list-style-type: none"> <li>- LFA, based on scope of assurance defined by CT</li> </ul> <p>Reviewed / accepted by:</p> <ul style="list-style-type: none"> <li>- PHME Specialist: reviews<sup>16</sup> PR reported programmatic data and recommends required actions</li> <li>- GFM Service Center/PST Specialist: reviews PR reported financial results and recommends required actions</li> <li>- (<i>optional</i>, only if requested by GFM Service Center) Finance Specialist accepts PR reported financial results</li> <li>- HPM Specialist: reviews procurement and supply chain information and recommends required actions</li> </ul>

<sup>14</sup> Refer to [PU/DR Form Instructions](#) for more information.

<sup>15</sup> Targets can be updated on a semesterly basis. On an exceptional basis, where approved by HPM Manager, targets can be set up to one month after the start of the IP year.

				Approved by: Financial information ( <i>optional</i> , only if requested by Finance/PST Specialist): GFM
<p>- PUDR<sup>17</sup> (PUDR covers full IP year) and final PU</p> <p>Submitted to the Global Fund through Partner Portal</p>	R	R <sup>18</sup>	<p><b>CT definition of scope of reporting and assurance:</b></p> <ul style="list-style-type: none"> <li>- Annual Health Product Procurement and Supply Chain Management (PSCM) targets for the IP year set before the end of previous IP year <sup>19</sup></li> <li>- LFA assurance scope defined and captured in GOS by 30 April of the first IP year</li> </ul> <p><b>PR submission:</b> Completed within 60 days from the end of the last 12-month reporting period</p> <p><b>LFA submission (if applicable):</b> Completed within 20 days from receipt of PU/DR</p> <p><b>Data validated by:</b> Within 95 days from the end of the last 12-month reporting period</p>	<p><u>Defining scope of reporting and assurance:</u></p> <ol style="list-style-type: none"> <li>1. PSCM targets definition and setting in Global Fund systems: <ul style="list-style-type: none"> <li>- Discussed and agreed by: CT and PR</li> <li>- Formally communicated to the PR via email by: CT</li> <li>- Agreed PSCM targets captured in GOS by: HPM Specialist</li> </ul> </li> <li>2. LFA assurance scope defined by: CT (FPM with CT Specialists)</li> </ol> <p><u>Completing PUDR</u></p> <p>Prepared by: PR</p> <p>(If applicable) Reviewed and verified by:</p> <ul style="list-style-type: none"> <li>- LFA, based on scope of work defined by CT</li> </ul> <p>Reviewed and accepted by:</p> <ul style="list-style-type: none"> <li>- PHME Specialist: reviews and accepts<sup>20</sup> PR reported programmatic results and rating and recommends required actions</li> <li>- GFM Service center/PST Specialist: reviews and accepts PR reported financial results and rating and recommends required actions</li> <li>- (<i>optional</i>, only if requested by GFM Service Center) Finance accepts PR reported financial results</li> <li>- HPM Specialist (High Impact &amp; Core only): reviews procurement and supply chain information and recommends required actions</li> </ul> <p>Approved by:</p> <ul style="list-style-type: none"> <li>- Financial information (<i>optional</i>, only if requested by</li> </ul>

<sup>17</sup> Refer to [PU/DR Form Instructions](#) for more information.

<sup>18</sup> PRs to report annually on programmatic progress through national, partner, or global reports. CT directly captures results in GOS (equally for financial reporting) and submits assessment and rating once per grant cycle (for Aligned models) and according to the frequency defined in the grant agreement (for Targeted models).

<sup>19</sup> Targets can be updated on a semesterly basis. On an exceptional basis, where approved by HPM Manager, targets can be set up to one month after the start of the IP year.

				Finance/PST Specialist): GFM - Overall performance rating: FPM (and DFM, if applicable)
- Audit Report <sup>21</sup>	R	R	<b>PR submission:</b> Within 6 months from the end of the audit period  <b>Review and validation:</b> Immediately after PR submission	Submitted by: PR (All portfolios)  Reviewed and validated by: Finance/PST Specialist (Focused)

### 5. Performance Rating: Assess Grant and PR Performance

Grant Deliverables	HI & Core	Focused	Timeline	Responsibilities
a. Grant performance (programmatic and financial ratings)  See Annex 2 on Performance Rating Methodology	R	R	Immediately after PUDR review and data validation	Programmatic and Financial Ratings accepted by: - PHME Specialist - Finance Specialist (see PUDR review section above)  If no management adjustment applied to Performance Rating: Validated and released by: FPM (and DFM, if applicable)  If management adjustment applied: Requested by: FPM (and DFM, if applicable) Approved by: Regional Manager/Department Head <sup>22</sup>
b. PR performance qualitative assessment <sup>23</sup>	R	Not required	Immediately after PUDR review	Prepared by: - PO - FPM (or DFM, if applicable).  Reviewed by: - PHME Specialist - Finance/PST Specialist - HPM Specialist

<sup>21</sup> Refer to the [Guidelines for Annual Audit of Global Fund Grants](#) for more information.

<sup>22</sup> For High Impact Departments.

<sup>23</sup> The PR rating approach is not yet implemented by the Global Fund. PRs and CTs will be notified in advance when this will take effect.

## 6. Communicate Assessment and Required Actions

Grant Deliverables	HI & Core	Focused	Timeline	Responsibilities
<p>a. Assessment and required actions communicated through Performance Letter, which includes:</p> <ul style="list-style-type: none"> <li>- Performance Rating</li> <li>- Performance Evaluation (short narrative)</li> <li>- Status of grant requirements and required actions</li> <li>- Annual Funding Decision (if available)</li> </ul> <p><i>The Performance Letter is system-generated and can be edited prior to sending to the PR and LFA via GOS.</i></p>	R	R	<u>PU/DR</u> : Within 110 days from the 12-month reporting period	<p>Prepared by: PO or FPM/FPA (Focused).</p> <p>Reviewed and signed by: FPM (and DFM, if applicable)</p>

## 7. Support In-Country Program Review and Evaluation

Grant Deliverables	HI & Core	Focused	Timeline	Responsibilities
<p>b. Support in-country program review</p>	R	BP	Every 3 years following the national planning <sup>24</sup>	<p>Planned by:</p> <ul style="list-style-type: none"> <li>- Ministry of Health or</li> <li>- National disease control programs</li> </ul> <p>Conducted by: Joint national and international team of experts</p> <p>Reports reviewed by:</p> <ul style="list-style-type: none"> <li>- FPM (and DFM, if applicable), PHME Specialist, with inputs from the CT</li> <li>- MECA (review includes providing learning synthesis of key themes and recommendations)</li> <li>- Relevant technical teams: TAP, CRG as needed</li> </ul>
<p>c. Support periodic performance review</p>	R	Not required	<p><u>National level</u>: annual basis</p> <p><u>Sub-national level</u>: semi-annual basis</p>	<p>Planned and conducted by: Respective disease programs at national and sub-national levels</p> <p>Reports reviewed by:</p>

<sup>24</sup> Normally occurs at the mid or end-term of NSPs or national health sector strategy.

				- FPM (and DFM, if applicable) and PHME Specialist, with inputs from the CT
d. If applicable, commission enhanced portfolio review	Not required	BP <sup>25</sup>	As determined by the CT	Planned by: CT, in consultation with MECA and other technical teams Conducted by: External provider or jointly with partners Reports reviewed by: - FPM (and DFM, if applicable), PHME Specialist with inputs from CT - Inputs from MECA and relevant technical teams as needed
e. if applicable, support program evaluation	BP <sup>26</sup>	Not required	As determined by the CT	Planned and conducted by: - Ministry of Health and/or - Other in-country partners Supported by: MECA, in consultation with CT and relevant technical teams as needed Reports reviewed by: - FPM (and DFM, if applicable) - PHME Specialist - Inputs from CT, MECA and relevant technical teams as needed

## B. Global Portfolio Oversight by Business Risk Owners and Senior Management

1. Business Risk Owners		
Grant Deliverables	Timeline	Responsibilities
As per the OPN and Operational Procedures on Risk Management.		

2. Global Fund Senior Management				
Grant Deliverables	HI & Core	Focus	Timeline	Responsibilities

<sup>25</sup> In cases when the quality of a program review is deemed inadequate or when no review has occurred. Refer to Annex 3 of the OPN for more details.

<sup>26</sup> In cases when the quality of a program review is deemed inadequate or when no review has occurred. Refer to Annex 3 of the OPN for more details.

<b>GMD Management:</b> Supervision and strategic guidance to CTs and regular monitoring of regional and global portfolio	R	R	Ongoing	Guidance and decision by (if applicable): - Regional Manager - Department Head - Division Head
<b>PPC:</b> Undertake CPR, PPC Executive Session, PPC thematic session, and/or EPR	As per selection criteria		Determined by the PPC	As per the PPC ToRs, Guidance Notes for CPRs <sup>27</sup> (forthcoming), and PPC Secretariat TORs (forthcoming), which provide details on the selection criteria and the process for preparation.
<b>GAC:</b> Portfolio wide oversight of the implementation status of TRP issues and strategic steer to CTs on TRP issues that are overdue or not met.	R	R	As needed	Guidance on process by Access to Funding Decision by GAC

## C. Monitoring the Process

3. The PR Reporting timelines<sup>28</sup> are monitored by the Grant Portfolio Solutions and Support (GPS) Department and Finance. In-country program reviews and evaluations are monitored by the Monitoring and Evaluation and Country Analysis Team (MECA) through the country M&E Profiles and using work plan tracking measures in the performance frameworks.

Item	Monitoring	Responsible
PU/DR	Time between reporting period end date and PR submission of PU/DR	GPS
	Time between the LFA receipt of the PU/DR and the LFA submission <sup>29</sup>	
	Time between reporting period end date and validation of programmatic and financial data by PHME Specialist and Finance Specialist <sup>30</sup>	
	Time between reporting period end date and validation of the Performance Rating and the issuance of Performance Letter by CT <sup>31</sup>	
	Number of technical adjustments made to the programmatic rating by PHME Specialists <sup>32</sup>	
	Number of HPM adjustments made to PR Rating <sup>33</sup>	
	Number of management adjustments made by the FPM	
Pulse Checks	Time between reporting period end date and PR submission	
Annual Audit Reports	Time between the audit period end date and the submission of audit report	Finance

<sup>27</sup> Guidance Notes are updated annually.

<sup>28</sup> As per the OPN.

<sup>29</sup> For the reporting period cohorts ending on 31 December 2021 and beyond.

<sup>30</sup> Planned for Release 2, for the reporting period cohorts ending on 31 December 2021 and beyond.

<sup>31</sup> Planned for Release 2, for the reporting period cohorts ending on 31 December 2021 and beyond.

<sup>32</sup> New, planned for Release 3, for the reporting period cohorts ending on 31 December 2021 and beyond.

<sup>33</sup> Following the deployment of the PR rating.

In-country program reviews and evaluations	The planning and implementation status <sup>34</sup> for High Impact and Core portfolios	MECA
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<sup>34</sup> As per the OPN.

## Annex 1. Acronyms

**BRO:** Business Risk Owner (comprises: TAP, MECA, CRG, Supply Operations, Program Finance & Controlling, GPS, Health Financing)

**CCM:** Country Coordinating Mechanism

**CFO:** Chief Finance Officer

**COE:** Challenging Operating Environment

**CRG:** Community Rights and Gender Department

**CT:** Country Team (comprises: FPM, (DFM, if applicable), PO, FPA, Finance/PST Specialist, PHME Specialist, HPM Specialist, Legal Counsel)

**DFM:** Disease Fund Manager

**DH:** Department Head for relevant High Impact Department

**FPA:** Fund Portfolio Assistant for High Impact and Core portfolios (including Senior FPA) or Fund Portfolio Analyst for Focused portfolios

**FPM:** Fund Portfolio Manager (including Senior FPM, Disease and State Fund Managers<sup>35</sup>)

**GFM:** Grant Finance Manager

**GMD:** Grant Management Division

**GPSS:** Grant Portfolio Solutions and Support

**HPM Specialist:** Health Product Management Specialist

**IP:** Implementation Period

**IRM:** Integrated Risk Management (module in GOS)

**IT:** Information Technology Department

**LFA:** Local Fund Agent

**MEC:** Management Executive Committee

**MECA:** Monitoring Evaluation and Country Analysis Team

**OE:** Operational Efficiency Team

**PHME Specialist:** Public Health and Monitoring and Evaluation Specialist

**PO:** Program Officer for High Impact and Core Portfolios (including Senior PO)

**PR:** Principal Recipient

**PST Specialist:** Specialist in the Portfolio Services Team of Grant Finance for Focused portfolios

**RM:** Regional Manager

**SR:** Sub-recipient

**SSR:** Sub-sub recipient

**TAP:** Technical Advice and Partnerships Department

**TERG:** Technical and Evaluation Reference Group

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<sup>35</sup> Disease Fund Manager and State Fund Manager review as the FPM, but they do not have approval authorities. The overall accountability for a portfolio remains with the FPM.

## Annex 2. Recommended Elements for a PR Annual Implementation Work plan

### What is the difference between a work plan and a detailed budget?

A *work plan* breaks down agreed activities, with clear timelines, milestones, when cash is required and the planned completion/delivery. A work plan clearly articulates who is responsible for undertaking each activity by when, the sequence and relationships between activities (interdependencies) and considers the availability of human resources and ongoing projects.

A *detailed budget* estimates the costs of these activities with a breakdown by module, intervention, activity, cost input and unit cost, with the funding amounts required for each period, and serves as the baseline for the annual funding and disbursement process. The budget is broken down into quarters, which is the estimated period of delivery of good and services, rather than actual timing for the payment of grant activities, and shows when expenditures are expected to be recognized.

1. The implementation work plan is based on the objectives defined in the Grant Agreement and final grant documents (including but not limited to the Performance Framework, Summary Budget and Health Product Management Template (if applicable)) and covers grant delivery, as well as PR operations. As best practice, the following are recommended elements of an annual implementation work plan:
  - i. All activities<sup>36</sup> that will enable meeting the grant objectives, including how they will be delivered, resources required, and how results will be monitored and evaluated.
  - ii. PR, SR and other roles, responsibilities and accountabilities assigned for each individual activity.
  - iii. The chronological flow of individual activities, including interdependencies and critical path activities, with built-in buffers to mitigate unforeseen delays.
  - iv. The timeframe for activities, with clear milestones and deadlines (including grant Requirements and critical management actions).
  - v. Implementation risks or bottlenecks with appropriate mitigating actions

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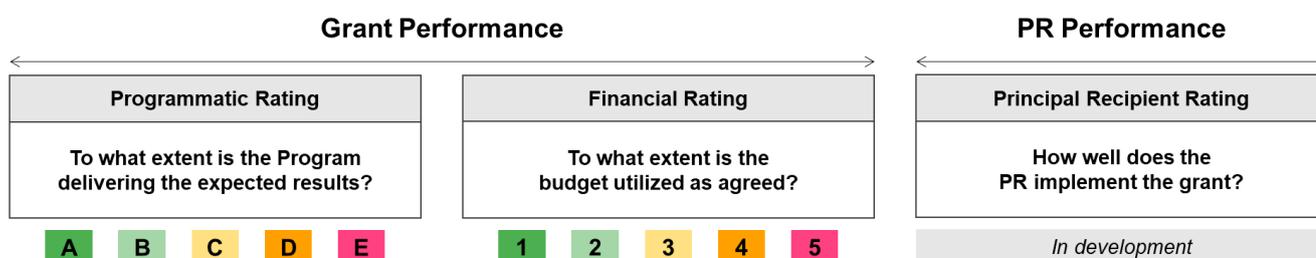
<sup>36</sup> Including, but not limited to, supervision and training plans, the procurement plan for health and non-health products, deployment plan (if applicable).

2. While there is no prescribed template for an implementation work plan, an illustrative example is provided below.

Activity	Sub-Activity	Description	Priority Level	Implementer	Entity Responsible	Person Accountable	Resources Required	Interdependencies	Start Date	End Date	Milestones	Activity On Track?	Actions / Recommendations	Comments
1. Case detection & diagnosis	1.1 Refresher training on Xpert MTB	Refresher training on Xpert MTB/RIF testing for 36 laboratory staff from 18 GeneXpert sites - stationery and fuel	1	PR	NLTP/TB	Peter Burgess	Approved funding	Activity 1.6	01-Jan-22	30-Jun-22	50% staff trained by 31-Mar-22	Y		
	1.2 Calibration of GeneXpert machines	Conduct the annual calibration of GeneXpert machines nationwide (12 provinces)	1	SR	Biovendor (Service Provider)	Clément Bourgoine	Approved funding	Activity 2.4	01-Jul-22	31-Dec-22	Complete calibration in 6 provinces per quarter	N		

## Annex 3. Performance Rating Methodology

1. The standard Global Fund performance rating methodology described below applies to all grants except Payment for Results grants<sup>37</sup>. It captures grant and PR performance by assigning a:
  - i. **Programmatic Rating:** to measure to what extent the program is delivering the expected results;
  - ii. **Financial Rating:** to measure to what extent is the budget utilized as agreed; and
  - iii. **Principal Recipient Rating** (for High Impact and Core portfolios only): to demonstrate how well the PR is implementing the grant (*forthcoming*<sup>38</sup>).
2. The grant performance is determined annually based on progress reported and validated through PUDRs.
3. The PR performance (*forthcoming*) is determined annually for High Impact and Core portfolios only.
4. The Performance Rating is one of the parameters taken into consideration when defining the amount for the Annual Funding Decision<sup>39</sup>.
5. The Performance Rating is composed of the following:



6. **Management Adjustment.** A management adjustment can be applied to the Performance Rating on an exceptional basis to account for force majeure (e.g., war, pandemic, natural hazards, etc.). The PR rating may be adjusted upwards or downwards; however, the programmatic and/or financial ratings may only be adjusted to “no rating”.

### Programmatic Rating<sup>40</sup>

7. A quantitative indicator rating is calculated using the data from the indicators reported in the PUDR<sup>41</sup>. Depending on the type of indicator and target setting in the Performance Framework, the results are aggregated over the reporting periods. The quantitative indicator rating is calculated as follows:

<sup>37</sup> For Payment for Results (PfR) grants, see last section of this Annex.

<sup>38</sup> The PR performance rating approach is not yet implemented by the Global Fund. PRs and CTs will be notified in advance when this will take into effect.

<sup>39</sup> Refer to the OPN and Procedures on Annual Funding Decisions and Disbursements for more information.

<sup>40</sup> The Quantitative Indicator Rating calculation has been maintained from the previous Grant Rating Methodology to ensure comparability over time.

<sup>41</sup> If the grant's quantitative indicator rating will be based on Work-Plan Tracking Measures, please refer to the section below on how to convert the Country Team's evaluation of progress against the work plan into a quantitative indicator rating.

- “Non-cumulative” targets: These reflect period specific targets/results, irrespective of the targets/results in the previous periods. In such cases, the relevant periodic targets/results will be added up to calculate the quantitative indicator rating.
- “Non-cumulative (other) targets: This is applied to indicators that refer to people currently receiving services irrespective of the targets/results in previous periods. Therefore, the targets/results in the last reporting period will be used to calculate the quantitative indicator rating.
- “Cumulative annually” targets: These targets are already cumulated over the year or the reporting period\*. In such cases, the targets in the last reporting period will be used to calculate the quantitative indicator rating.

8. **Programmatic Rating Ranges.** The grant is assigned a value from A to E for programmatic performance.

<b>A</b>	Excellent	≥ 100%
<b>B</b>	Good	90% - 99%
<b>C</b>	Moderate	60%-89%
<b>D</b>	Poor	30%-59%
<b>E</b>	Very Poor	< 30 %

9. **Automatic Downgrading.** If an indicator is rated less than 60%, the Quantitative Indicator Rating is downgraded by one rating level, unless the Quantitative Indicator Rating is C, D or E, in which case no further downgrading is applied.

10. **Indicator Performance Cap Rule.** If an indicator’s performance is above 120%, the indicator’s performance used in the calculation of the “Average Performance All Indicators” is capped at 120%.

11. **Programmatic Technical Adjustment.** In some specific scenarios, the quantitative indicator rating may not reflect the actual grant/program performance due to the linkages and correlation across indicators. In such cases, the CT can adjust the quantitative rating to reach the final indicator rating. Appropriate and documented justification must be included for any changes to the quantitative indicator rating.

12. Cases in which a CT may consider a technical adjustment include, but are not limited to:

- The achievement or overachievement of one indicator, when correlated with another indicator, indicates a gap in reaching people in need of services i.e., below 60%.
- When there are multiple PRs and the underperformance of one indicator for one PR is resulting in the over-performance of another related indicator for another PR, when the actual performance of the latter is below 60% of the expected target.
- When disease grants with substantial investments in resilient and sustainable systems for health (RSSH) and/or community, rights and gender (CRG)-related modules that include both

coverage indicators and Work Plan Tracking Measures (WPTMs): if the overall WPTM rating is below 60%, the quantitative indicator rating can be downgraded by one rating point.

13. The programmatic technical adjustment must not be used in cases due to:

- Delays in implementation of activities including M&E activities: In cases of extreme/unforeseen environmental or political crisis, the “management adjustment” (see below) may be possible.
- Delays in meeting grant requirements or required actions (which most likely will be covered under other ratings and/or adjustments).
- Underperformance due to activities or contexts beyond the control of the PR (which most likely will be covered under other ratings and/or adjustments).
- Insufficient level of funding to meet the targets<sup>42</sup>.
- Targets achieved before time<sup>43</sup>.
- Targets have overachieved<sup>44</sup>.
- COVID-related adaptations to the program/mitigation actions.
- COVID-related delays/disruptions: these are to be reflected by maintaining the programmatic rating.
- Issues with financial performance, e.g., under-absorption against agreed budget: these are to be reflected in the financial rating.
- Weak PSM systems and/or persistent gaps in supply chain management, stock-outs, etc.: these are to be reflected in PR rating (currently under development).
- Data quality issues:
  - PR-reported results cannot be verified by the LFA (e.g., no supporting documents provided): the programmatic rating must be maintained. In such cases the result for the respective indicator will be considered zero.
  - Documented programmatic data quality issues: to be reflected in PR rating (currently under development).
- If programmatic rating is D, or E: do not downgrade.
- Poor or good performance of indicators not in the Performance Framework.
- Achieving global targets but not the grant targets.
- Improvement from past reporting periods, but still showing underperformance.

## Financial Rating

14. The financial rating uses two quantitative metrics and does not require any technical adjustment. These are:

15. **Budget utilization (BU)** demonstrates the Global Fund’s efficiency in making funds available to the grant. It is calculated by dividing the sum of in-country cash balance and cumulative disbursement by the cumulative disbursement:

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<sup>42</sup> This is addressed during grant making or if the situation has changed during implementation, through a grant revision to change the targets and/or budget.

<sup>43</sup> Addressed through a grant revision if targets have been achieved early on in grant implementation or reported as planned for the respective reporting period.

<sup>44</sup> Addressed through the performance cap of 120%.

$$BU = \frac{\text{In-country Cash Balance} + \text{Cumulative Disbursement}}{\text{Cumulative Budget}}$$

16. **In-country absorption (ICA)** maintains the link between programmatic and financial performance at grant level, while reflecting PR influence and/or control over its achievement of grant objectives. It is calculated by dividing the cumulative expenditure by the cumulative budget:

$$ICA = \frac{\text{Cumulative Expenditure}}{\text{Cumulative Budget}}$$

17. It can be calculated as soon as the Finance/PST Specialist has validated the expenditures.

18. **Financial Rating Ranges.** The grant is assigned a value from 1 to 5 for financial performance.

1	Excellent	≥ 95%
2	Good	85% - 94%
3	Moderate	75% - 84%
4	Poor	65% - 74%
5	Very Poor	< 65 %

19. In some cases, BU is above 100% which can result into Financial Ratings above 100%. There is no cap for the financial rating.

20. **Weighting of Financial Rating (BU/ICA).** The weighting in the composition of the financial rating is 20% of the BU metric and 80% of the ICA metric.

### PR Rating (forthcoming)

21. The PR rating will provide insight in the PR performance that can trigger in-depth capacity assessment, technical support and improvement plans, among others. The metrics for the PR rating are currently being developed. During its development, a qualitative assessment of PR Performance will be made by the CT and communicated to the PR in the Performance Letter.

### Scoring Methodology for Work-Plan Tracking Measures

22. There are some program areas (modules) and interventions that constitute essential investments in Global Fund grants but cannot be measured using available coverage indicators during the

execution period being assessed and will therefore not result in a standard indicator rating<sup>45</sup>. Moreover, these areas require additional qualitative measures to assess their effectiveness.

23. To address this, the Global Fund has developed a specific M&E framework for modules that do not have a service delivery component and will request the PR to report on progress through the PU/DR on the agreed upon work-plan tracking measures (WPTM).

24. A differentiated approach will be applied in using these measures for determining an indicator rating:

- i. When grants do not include any coverage indicators, a scoring methodology will be applied to measure progress against WPTMs to arrive at an indicator rating.
- ii. When grants include both coverage indicators as well as the WPTMs, only the coverage indicators will be used to calculate the indicator rating. In these instances, the overall WPTM rating can be additionally used to make programmatic technical adjustment to quantitative indicator rating<sup>46</sup>

25. The following scoring methodology will be applied to derive scores and equivalent quantitative indicator rating.

a. The progress on work-plan tracking measures (i.e., milestones and targets for input and process indicators) will be categorized and their achievement scored as follows:

<b>Implementation progress during the reporting period</b>	<b>Category</b>	<b>Score</b>
No progress against planned milestone or target	Not started	0
Less than 50% completion of the milestone or target	Started	1
50% or more completion of planned milestone or target	Advancing	2
100% achievement of planned milestone or target	Completed	3

b. At each reporting period, depending on the progress in implementation of various activities, the respective score will be allotted to each measure.

c. Based on reported progress, the sum of all scores during the reporting period will be compared against the maximum score for that period to obtain the default WPTM rating.

<sup>45</sup> Examples of such modules/interventions include removing legal barriers to access or changes in policy and governance under RSSH.

<sup>46</sup> Refer to the section on the Programmatic Technical Adjustment in Annex 3.

	% achievement during the reporting period (total score/maximum score)	Default WPTM rating
<b>A</b>	Excellent	≥ 100%
<b>B</b>	Good	90% - 99%
<b>C</b>	Moderate	60%-89%
<b>D</b>	Poor	30%-59%
<b>E</b>	Very Poor	< 30 %

### Performance Rating Approach for Payment for Results Grants

26. The Performance Rating approach for PfR grants are tailored to each grant and defined as part of the PfR design proposal.

27. Where there is a documented exception to the use of the standard Performance Rating approach for one or more of the components (Programmatic and/or Financial Rating), Country Teams enter and validate PUDR information for the respective sections and:

27.1. If one or both of the ratings will not be communicated: raise a ticket including documentation of the exception and requesting to clear the Programmatic and/or Financial Rating and advance the PUDR to the appropriate next step (CT to send Performance Letter if both exceptions exist for both ratings, or FPM (and DFM, if applicable) to Release Rating if there is an exception for one of the ratings);

27.2. If one or both of the ratings will be communicated, but a different methodology is used in the calculation: raise a ticket including documentation of the exception and requesting to adjust the Programmatic and/or Financial Rating to a different value. The Programmatic and/or Financial Rating based on the agreed methodology is validated by the respective Specialist.