

# 38<sup>th</sup> Board Meeting

## Report of the Technical Evaluation Reference Group

GF/B38/13

14-15 November 2017, Geneva, Switzerland

### **Board Information**

Purpose of the paper: The Technical Evaluation Reference Group (TERG) informs the Board of notable results for 2017, with a focus on the Strategic Review 2017 and the Thematic Review on the utilization of Global Fund's M&E investments to improve country data systems. In 2018, the TERG will emphasize implementing Prospective Country Evaluations, and is providing the Board with the relevant update.

# Executive Summary

## Context

- A. In November 2016, the TERG presented to the Board its multi-year plan, which included the conduct of Strategic Review 2017 (SR2017) and emphasized the Prospective Country Evaluations (PCE)<sup>1</sup> to be conducted 2017-2020.
- B. SR2017 reviewed progress on the 2012-16 strategy, while assessing readiness for 2017-22. An analysis on absorptive capacity at the Global Fund was added on to the SR2017. This year, TERG also conducted the Thematic Review on the utilization of Global Fund's M&E investments to improve country data systems. Certain key messages from the two reports coincided.
- C. The PCE successfully launched in 2017 and set out to understand the in-country pathways from investment to impact for all four Strategic Objectives.
- D. In October 2017, the TERG presented for Strategy Committee approval the TERG Documents Procedure for increased transparency of the Global Fund's independent evaluation reports, and the TERG work plan for 2018<sup>2</sup>. Both were approved by the Committee.
- E. For this update to the Board, the TERG will focus on the Strategic Review 2017 and the Prospective Country Evaluations, due to their strategic significance. TERG also considered that SR2017 responded to the Board's request to the TERG to formally follow-up on responses to TERG recommendations<sup>3</sup>.

## Questions this paper addresses

1. What were the key findings of SR2017?
2. What is the progress on PCE?

## Conclusions

- A. SR2017 found that “the vast majority of recommendations generated from Strategic Review 2015 and subsequent TERG and other reviews have been addressed,” and that “the Global Fund is well prepared to implement the 2017-2022 Strategy.”<sup>4</sup> The review also made a number of recommendations on consolidation and monitoring of elements of Strategy implementation. Given the rapidly changing setting of global aid, the review also underlined the importance of ensuring the Global Fund is well positioned as a relevant and value adding global health initiative for the next replenishment, and beyond 2023.
- B. Areas identified by the TERG as standing-out from SR2017 and/or the thematic review on M&E expenditure for additional attention are:

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<sup>1</sup> [Link](#) to the copy of the presentation, available through the Extranet.

<sup>2</sup> See [GF/SC05/07](#) and [GF/SC05/11](#) respectively.

<sup>3</sup> [Link](#) to the synthesis report, available through the Extranet.

<sup>4</sup> In particular strategic direction, differentiation, allocation, market shaping, strengthening health systems.

- Absorptive capacity
  - Effectiveness of partnerships at country level
  - Country ownership
  - Sustainability and transition
  - Operationalization of strategy with respect to RSSH, human rights and gender
  - Transaction costs, especially related to financial risk management, and associated programmatic risk
  - Data quality, analysis and use at country level.
- C. TERG is overseeing and closely monitoring the progress of the PCE. Eight countries have been purposefully chosen, and three competitively selected consortia are implementing PCE work, to-date fully initiated in six countries. Two of the eight countries were selected explicitly to collaborate with similar work conducted by Gavi<sup>5</sup>. The implementing consortia have worked together to articulate theories of change (ToC) illustrating causal relationships and assumptions at the country level, and are working with in-country stakeholders to refine the ToC and understand country evaluation priorities. The TERG aims to provide the first PCE synthesis report to the Strategy Committee in March 2018.
- D. More details on SR2017 and the PCE are included as Annex 1 to this Report.

## Input Sought

The Board is welcome to provide feedback to the TERG on any of the above items.

## Input Received

The Strategy Committee received this update at its 5<sup>th</sup> meeting. The Committee had a positive response to the SR2017, and endorsed a decision point noting this review<sup>6</sup>. On PCE, the Committee discussed topics related to publication, outputs, partnerships at country level, collaboration with GAVI, and costs. Additionally, TERG has consulted extensively with the Secretariat on the two topics.

TERG also shared with the Committee a list of potential topics for thematic reviews in 2018, which the Committee is to prioritize via an online poll:

- Impact Through Partnerships initiative;
- Sustainability, Transition and Co-financing policy implementation;
- Impact of the Global Fund investment on RSSH;
- Catalytic Investment: its use and modalities; and
- Positioning of the Global Fund in a rapidly changing global health development environment, including in relation to the Sustainable Development Goals. Lessons learned to-date from program implementation in Challenging Operating Environments.

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<sup>5</sup> PCE countries are Cambodia, Democratic Republic of Congo, Guatemala, Mozambique\*, Myanmar, Senegal, Sudan, and Uganda\* (\*countries where PCE collaborates with Gavi evaluation).

<sup>6</sup> See [GF/SC05/08](#) and its annexes ([Annex 1](#), [Annex 2](#), [Annex 3](#)) for complete information on SR2017.

38th Board Meeting

## Report of the Technical Evaluation Reference Group (TERG)

For Board Information

GF/B38/13 – Annex 1  
Geneva, Switzerland  
14-15 November 2017

# Content Overview

1. Report on Strategic Review 2017, *in conjunction with* Thematic Review on the utilization of Global Fund's M&E investments  
TERG concluded these two reviews, and is sharing its position with the Board.
2. Update on Prospective Country Evaluations (PCE)  
TERG is overseeing and closely monitoring the progress of PCE.

# 1a. Reports on Strategic Review 2017 and M&E Investments

Strategic Review (SR) 2017		M&E investments to improve country data systems
<b>Main report</b>	<b>Absorptive capacity (AC) analysis:</b>	
<b>Objectives:</b>	<b>Objectives:</b>	<b>Objectives:</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> To review the GF response to TERG recommendations, and progress in delivering the 2012-2016 strategy.</li> <li><input type="checkbox"/> To assess the Global Fund's readiness to implement the new 2017-2022 Strategy.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> To identify factors impeding AC.</li> <li><input type="checkbox"/> To identify tools/mechanisms to influence AC.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> To identify root causes of M&amp;E expenditure rate.</li> <li><input type="checkbox"/> To explore factors influencing spending on particular M&amp;E activity categories.</li> </ul>
<b>Scope:</b>	<b>Scope:</b>	<b>Scope:</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Strategy translation and readiness for implementation.</li> <li><input type="checkbox"/> Country partnerships and sustainability.</li> <li><input type="checkbox"/> Measurement and accountability.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> To what extent is limited AC in countries hampering the implementation of GF supported programmes?</li> <li><input type="checkbox"/> Factors impeding countries ability to absorb GF resources?</li> <li><input type="checkbox"/> What is the GF doing to address AC issues?</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Root causes analysis of low M&amp;E budget-expenditure rates.</li> <li><input type="checkbox"/> How M&amp;E funds are budgeted and expended to improve data system.</li> <li><input type="checkbox"/> How additional data system investments have been used to achieve outcomes.</li> </ul>

## 1b. Reports on Strategic Review 2017 and M&E Investments

### The Global Fund response to TERG recommendations and readiness to implement the 2017-2022 Strategy

- ❑ “The vast majority of recommendations generated from SR 2015 and subsequent TERG and other reviews have been addressed” (i.e. strategic direction, differentiation, allocation, market shaping, strengthening health systems).
- ❑ Recommendations on differentiated processes especially in relation to funding application and grant-making have been successfully implemented by the Secretariat:
  - > “Processes are now streamlined in a significant portion of country portfolios.”
  - > “Highly likely [transaction costs for countries and the Secretariat] will significantly reduce.”
  - > However, “monitoring and course correcting the ongoing implementation of differentiation measures and policies” is strongly recommended, at this stage.
- ❑ “The Global Fund is well prepared to implement the 2017-2022 Strategy.”
- ❑ Given the rapidly changing setting of global aid, ensuring the Global Fund is well positioned as a relevant and value adding global health initiative for the next replenishment, and beyond 2023, is essential.

## 1c. SR2017 Recommendations – endorsed by TERG with minor modifications

Continue and embed	Monitor and course correct	Act now
Embed the process of <b>strategic implementation</b> [SIP] further	Ensure short-term activities are aligned with <b>achieving impact</b>	Undertake a thorough review of " <b>country ownership</b> " to develop a better defined and flexible framework for operationalizing Global Fund policies and principles in this regard.
Continue to drive towards <b>prioritization for impact</b>	Monitor and course correct measures and policies on <b>differentiation</b>	
Continue to operationalize policies and guidance related to <b>sustainability, transition and co-financing</b> . Promote country ownership of these.	Take stock of <b>risk management processes</b>	
Continue to focus on <b>working with technical and development partners</b> with a clear focus on long-term impact and accountability for results.	Further clarify to countries the intended focus of investments in <b>RSSH</b>	Strengthen <b>collaboration with</b> technical and development partners on key issues: <b>human rights, key populations and gender</b>
Continue to focus on <b>integrating human rights and gender issues</b> into country programs	Monitor and review the impact of <b>catalytic funding</b>	Ensure <b>AIM</b> delivers
Where practical embed..." <b>modelling for impact and efficiency</b> " in national decision-making processes	Ensure that the <b>Global Fund is well positioned as relevant and value-adding...</b> for the next replenishment and beyond	
Continue and coordinate various strands of work...on <b>absorptive capacity</b> across the grant lifecycle.		
Prioritized by SR2017	Additionally prioritized by TERG	Drawn from work on Absorp. Capacity



## 1d. Absorptive capacity analysis (complement to SR2017)

### Key conclusions:

- > Focused improvements (e.g on specific countries and malaria grants) would facilitate achievement of 75% target.
- > Low absorptive capacity can be a symptom of a range of issues including:
  - Challenges of the three year funding cycle, especially for RSSH expenditures
  - The approach to risk management
  - Documentation demands
  - Financial management issues
  - Major issues related to weak health systems
- > The Global Fund is seeking to improve absorptive capacity – Impact through Partnership is only one component.

## 1e. Absorptive capacity analysis (complement to SR2017)

### Recommendations:

- A focused effort to coordinate the various strands of work being conducted internally, and to strengthen the systematic analysis of absorptive capacity across the entire portfolio and grant lifecycle.
- The Secretariat should consider Impact through Partnership as one of a range of tools/mechanism to influence absorptive capacity. Others include:
  - Guiding countries to target RSSH support that increases absorption rates
  - Balancing risk management processes with the need to absorb resources
  - Targeting technical assistance to countries where there are specific issues
- Further research and more in-depth analysis in a number of areas.

## 1f. Thematic Review of M&E investments to improve data systems

### Recommendations - the TERG:

- Reiterates the importance of the Global Fund continuing to play **a catalytic role through long-term investments in data systems capacity development** including data analysis and use.
- Considers that more needs to be done to address the bottlenecks to timely complete M&E expenditure data systems by **addressing the identified root causes**.
- Urges specific efforts to **improve coordination with country stakeholders and partners**, including use of and support to common M&E systems, preferably based on national strategic plans.
- Encourages the Board and the Strategy Committee **to reconsider its level of financial risk appetite and existing policies that may unduly constrain expenditure** and to encourage and support the Secretariat's work on flexibility and differentiation in risk management.
- Recommends the Global Fund **continue to assist the rollout of DHIS2 with its Cause of Death module** for health facility deaths, which will support development of civil registration vital registration systems.

# 1g. Reports on Strategic Review 2017 and M&E Investments

## Facilitating the Strategy implementation and identifying areas for further examination

Areas identified by the TERG as standing-out from SR2017 and/or the thematic review on M&E expenditure for additional attention are:

- > Absorptive capacity
- > Effectiveness of partnerships at country level
- > Country ownership
- > Sustainability and Transition
- > Operationalization of strategy with respect to RSSH, human rights and gender
- > Transaction costs - especially related to financial risk management - and associated programmatic risk
- > Data quality, analysis and use at country level.

## 2a. Update on Prospective Country Evaluations (PCE)

At the end of the PCEs (3 years/6 years) we will expect:

- PCEs have led to improvements in national programmes and Global Fund in-country operations in the eight countries.
- Better understanding of how Global Fund policies and processes play out in countries and how they can be improved.
- Progress towards more robust and data-based estimates of outcomes and impact.
- Lessons learned on prospective evaluations that can inform a more thorough approach to evaluation by the Global Fund.
- Capacity to have been developed in country (within realistic expectations).

## 2b. Update on Prospective Country Evaluations (PCE)

- > Eight countries selected
  - Two to collaborate with Gavi for efficiency and synergies.
- > Three competitively selected consortia to conduct the evaluations
  - Global Evaluation Partners work with Country Evaluation Partners.
  - Three consortia have worked together to articulate theories of change.
- > PCEs have been launched in six countries
  - Stakeholder consultations to understand country priorities for evaluation.
- > TERG meeting in Uganda provided PCE consortia with concrete guidance in Sept.
  - Also provided learning and sharing experience for Country Evaluation Partners.
- > TERG aims to deliver first PCE synthesis report to SC in March 2018
  - A comprehensive report covering what has been done, emerging findings (with comment on strength of evidence) for both “focus topics” and all other reportable aspects, recommendations (global and country), where possible responses to recommendations, emerging issues, priorities/approaches for follow-up.

### PCE countries (\*with Gavi)

Congo (DRC)

Cambodia

Guatemala

Mozambique\*

Myanmar

Senegal

Sudan

Uganda\*