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TERG REPORT TO GLOBAL FUND BOARD HIGHLIGHTS THE TERG'S STRATEGIC REVIEW 2017 AND PROSPECTIVE COUNTRY EVALUATIONS

The Technical Evaluation Reference Group, or TERG, submitted its report to the Global Fund Board ahead of its 38th meeting on 14-15 November. The report principally provided updates on the TERG's Strategic Review 2017 and the launch of prospective country evaluations. In addition, the report mentioned the establishment of a TERG Documents Procedure, which provides a framework for making TERG documents available to the public again.

The TERG is an independent body which advises the Global Fund Board, via the Strategy Committee, on matters pertaining to evaluation of the Fund's business model, investments and impact. The TERG conducts and oversees independent evaluations, and assesses and reports on monitoring and evaluation activities conducted by the Secretariat. The TERG regularly reports on its activities to the Strategy Committee, and provides a summary report for Board meetings. This article reports on the content of that summary report.

Strategic Review 2017

One of the TERG's key activities over the past year was its conduct of the Strategic Review 2017 (SR 2017). The review began in December 2016 and concluded in June 2017. The SR 2017 had two primary objectives: (a) to review the Fund's progress on its 2012-2016 strategy (the final two years, in particular); and (b) to assess the Fund's readiness to implement its 2017-2022 strategy.

The first objective builds off the TERG's Strategic Review 2015, which looked at the first three years of the 2012-2016 strategy, and made a series of recommendations. The SR 2017 assessed the degree to which

those recommendations were addressed or implemented. Those recommendations dealt with, among other things, the need to differentiate grant applications, further define and communicate the intent of RSSH investments, and strengthen the Fund's market-shaping efforts. In its report to the Board the TERG said, "The vast majority of recommendations generated from SR 2015 and subsequent TERG and other reviews have been addressed." One highly visible outcome of the recommendations is the differentiated application approach, which was fully implemented in 2017 for all funding requests.

With regard to the second objective of SR 2017, the TERG stated: "The Global Fund is well prepared to implement the 2017-2022 Strategy." A series of recommendations were issued, which were categorized as activities to "continue and embed," "monitor and course correct," and "act now." These recommendations, and the SR 2017 report overall, will be further detailed in a forthcoming GFO article.

As a "complement" to the SR 2017, the TERG conducted an analysis of the absorptive capacity of grant recipients. This was in response to demonstrated challenges with absorption of Global Fund grants seen across the portfolio. Andrew Green detailed the absorption issue in a three-part series for GFO this year (see [Part 1](#), [Part 2](#), and [Part 3](#)). In its report, the TERG described a series of conclusions and recommendations regarding absorption challenges and possible corrections, partially described in Tables 1 and 2 below.

Table 1. Conclusions

Low absorptive capacity attributable to:

- Challenges in the 3-year funding cycle
- The approach to risk management
- Documentation demands
- Financial management issues
- Major issues related to weak health systems

Table 2. Recommendations to the Secretariat

- Coordinate the various strands of work being conducted internally.
- Strengthen the systematic analysis of absorptive capacity across the entire portfolio and grant lifecycle.
- Consider [Impact Through Partnership](#) [formerly Implementation Through Partnership] in addition to other to influence absorptive capacity, including:
 - RSSH interventions targeting absorption
 - Balancing risk management with need to absorb resources
- Targeting technical assistance to countries to address absorption issues

Prospective country evaluations

In 2017, the TERG initiated six of eight eventual prospective country evaluations (PCEs). The purpose of the PCEs is to closely analyze the implementation, effectiveness and impact of Global Fund-supported programs at country-level. Aidspace [first reported](#) on the PCEs in November 2016 when they were announced. According to the TERG, these in-depth evaluations will have the following outputs:

- improvements in national programs and Global Fund in-county operations in all eight countries;
- better understanding of how Global Fund policies and processes play out in countries, and where improvements can be made;
- 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; and
- strengthened capacity at country level.

The first results of the PCEs will be presented to the Strategy Committee in March 2018. As of the 38th Board Meeting, some of the process milestones achieved thus far include:

- three research consortia were selected through a competitive process to conduct the PCEs (the consortia are not named in the report); and
- eight countries have been selected:
- Congo (DRC), Cambodia, Guatemala, Mozambique, Myanmar, Senegal, Sudan and Uganda.

TERG Documents Procedure

At its October meeting, the Strategy Committee reviewed and approved a new “TERG Documents Procedure.” This decision is referenced but not discussed at any length in the TERG’s report to the Board. The purpose of this procedure is to provide a framework for the external publication of TERG documents, for public audiences. It is an attempt to balance calls for transparency with the Fund’s desire to, “protect the integrity and candor of internal decision-making.” In the early years of the Global Fund, TERG documents were generally all made available to the public. But this changed several years ago, when many TERG documents were deemed to fall within the “internally deliberative” category. This resulted in all TERG documents being withheld from the public.

The Procedure sets up a process through which the TERG and the Global Fund Secretariat will review TERG documents on a case-by-case basis and make a determination, based on criteria set forth in the procedure, on whether to publish them externally or not. A third option would be to redact or revise an original document before external publishing.

The Procedure says that exceptions to publication are expected to be rare.

Implementation of the new TERG Documents Procedure should mean that most TERG documents will be made public again, thereby improving the transparency of the TERG, and the Global Fund overall.

Board Document GF-B38-13 (Report of the Technical Evaluation Reference Group) should be available shortly at www.theglobalfund.org/en/board/meetings/38.

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