
Technical Evaluation Reference Group Position Paper: Prospective Country Evaluation

March 2021, Geneva, Switzerland

Executive Summary

Context

- The Board approved the TERG to conduct Prospective Country Evaluations (PCE)¹ in eight countries for the allocation period of 2017-2019, followed by one additional year. The eight PCE countries are: Cambodia, the Democratic Republic of Congo, Guatemala, Mozambique, Myanmar, Senegal, Sudan and Uganda. The goal of the PCEs is to independently assess and generate evidence on ongoing program implementation to inform global, regional, and in-country stakeholders in order to accelerate the progress towards the Strategic Objectives of the Strategy 2017-2022.
- The paper provides the TERG's position regarding the findings and recommendations from the 2021 Synthesis Report.

Questions this paper addresses

- A. What is the current status?
- B. What are the key messages and conclusions?
- C. What are the TERG's recommendations?
- D. What are the proposed response/next steps?

Conclusions

- A. This report, based on the detailed individual country reports, covers 2020, which is the fourth year of the PCEs and builds on the synthesis reports for the first three years. It covers the 2017-2019 allocation period and the last year of the 2018-2020 implementation period. During 2020, the PCEs followed the 2017-2020 grant cycle to completion and analyzed when, where, what, why and how contents and grant funds changed throughout this period.
- B. There are ten key messages, four main conclusions and four recommendations. The TERG endorses the findings and conclusions listed in this PCE Synthesis Report, for Secretariat, SC and Board consideration.
- C. The TERG also agrees with and endorses the four main recommendations. However, the TERG has a number of comments on these recommendations, and suggested priority areas for action, to build on those of the Report.
- D. The SC and the Secretariat are requested to consider this Report's findings and strategic considerations for improving the impact of the Global Fund. The PCEs have been extended for three additional months, until June 2021. This extension will enable the PCEs to complete additional key final analyses identified by the TERG during its February 2021 meeting.

¹ The Global Fund. 36th Board Meeting, Catalytic Investments for the 2017-2019 Allocation Period. GF/B36/04 – Revision 2. 16-17 November 2016, Montreux, Switzerland.

Input Received

The TERG discussed the plan and status of the PCEs with the SC and with the Board. The TERG, with focal points to each PCE country, worked closely with the Global Fund Secretariat, through the TERG Secretariat, to ensure input from relevant GF Secretariat teams. In-country high-level advisory panels provided guidance on evaluation work following an agreed standard operating procedure adapted to each country context.

PCE 2021 Country and Synthesis findings and strategic considerations were presented to the TERG, at meetings with Secretariat teams and WHO representatives in February 2021. Feedback from these meetings was incorporated, as appropriate, into this 2021 Synthesis Report.

Report

Context

1. The Board approved the TERG to conduct Prospective Country Evaluations (PCE) in eight countries for the 2017-2019 allocation period. The Strategy Committee (SC) agreed on a one-year extension of the PCEs, during the interim period when catalytic investment details for 2020-2022 were not yet finalized. This made it possible in 2020 to complete the evaluation of the third year of the 2018-2020 implementation period and assess the 2020-2022 funding request and grant-making processes. The eight PCE countries are Cambodia, the Democratic Republic of Congo, Guatemala, Mozambique, Myanmar, Senegal, Sudan and Uganda.
2. PCEs are in-depth, country-level, prospective evaluations that utilize a variety of methods to provide a detailed picture of the implementation, effectiveness and impact of Global Fund grants in selected countries. The goal of the PCEs is to independently assess ongoing program implementation and impact at the country level to generate evidence and inform global, regional, and in-country stakeholders in order to accelerate the progress towards achievement of the Global Fund Strategic Objectives (SOs) by:
 - Examining the pathways between Global Fund investment and impact at country level in the context of country and other development partner investments;
 - Facilitating continuous improvement of program implementation and quality and testing innovative solutions; and
 - Learning lessons that can improve the Global Fund model.The PCEs are based on the principles of being country-focused, partnership-oriented, prospective, flexible, adding value and facilitating continuous improvement.
3. During 2020, the PCEs took a comprehensive look at the grant cycle and how business model factors have facilitated or hindered the achievement of Strategic Objectives during implementation of grants approved through the 2017-2019 allocation period, or “New Funding Model 2 (NFM2)”. This grant cycle analysis was conducted largely through the lens of Resilient and Sustainable Systems for Health (RSSH), sustainability and equity. The PCEs also looked at whether lessons learned during the 2017-2019 allocation period have informed the next funding cycle (allocation period 2020-2022, or “NFM3”).

Key Messages

4. The PCEs used a series of focus topics as lenses through which to evaluate the grant cycle. Through these focus areas, the PCEs examined how and why grants were modified along the grant cycle, successes and bottlenecks to implementation, and results achievement against grant performance targets. Ten key messages were presented:
 - a. Overall grant designs and budgets did not change significantly during the 2017-2019 grant making process (NFM2). More substantial changes were made to investments supporting the achievement of SO2 (RSSH) and SO3 (human rights and gender), although not necessarily to prioritize these areas (despite being consistently highlighted through the PCEs and other analyses as requiring more attention).

- b. Several business model factors, including the role of the Secretariat Country Teams (CT), matching funds and the TRP review process, influenced prioritization during grant making.
- c. A number of Global Fund business model factors influenced grant start-up and early implementation, especially lengthy selection and contracting processes for implementers and CT support. Early implementation delays disproportionately affected RSSH and human rights, gender (HRG)-Equity activities.
- d. After grant start-up, weak grant coordination as well as issues with performance monitoring constrained ongoing implementation progress. Again, these factors particularly affected RSSH and HRG-Equity-related activities. Conversely, stakeholders' engagement in regular progress reviews and grant coordination meetings facilitated implementation.
- e. The burdensome grant revisions process, alongside management incentives on PRs and CTs to maximize absorption, resulted in revisions being used predominantly as a financial management tool, rather than necessarily to maximize public health impact. The cumulative effect was that grants shifted resources to later in the cycle rather than undergoing significant restructuring to the scope and/or scale of grants, having the potential to reduce allocative efficiency.
- f. Global Fund disbursements to countries often varied from the total budget for each period but were not linked to indicator or grant performance ratings. As such, this element of the business model does not appear to be working as intended to incentivize performance.
- g. In most PCE countries, the NFM3 funding request process was an improvement on NFM2: more streamlined, efficient and flexible; characterized by improved country ownership and participation by a wider group of stakeholders; and with a range of business model factors used effectively to influence grant priorities.
- h. NFM3 funding requests included significantly larger budgets and focus on some but not all of the areas where a change in trajectory is needed to meet the SOs, largely as a result of the overall increase in country allocations.
- i. PCE countries show evidence of NFM3 funding requests being designed with explicitly more focus than in NFM2 on improving equitable access to health services and allocating resources to intervention approaches that are known to contribute to greater programmatic sustainability.
- j. Most PCE countries increased the overall allocation to RSSH in NFM3, although, compared to NFM2, a greater proportion of these investments are designed to support rather than strengthen health systems. As such, it is unclear how the NFM3 grants are intended to 'change the trajectory' for the achievement of SO2, which is intended to increase strengthening investments and enhance RSSH.

Conclusions

Grant design

5. Improvements to the business model between NFM2 and NFM3 contributed to more efficient and inclusive funding request processes. However, NFM3 saw limited adoption of changes in the design of performance monitoring, particularly for HRG-Equity and RSSH.

6. In NFM3, both RSSH and HRG-Equity investments rose, in many cases as a result of overall allocation increases. An increased proportion of RSSH investment is directed toward activities that support rather than strengthen the health system.

Grant implementation

7. Implementation of NFM2 grants faced significant start-up delays and COVID-19 interruptions. Absorption was overall weaker for RSSH and HRG-Equity interventions.
8. Multiple barriers and challenges exist for undertaking revisions to the scope and/or scale of grants mid-cycle, such as in response to new evidence or emerging performance issues.

Report Recommendations and TERG Position

9. **The TERG endorses the ten key messages and four high-level conclusions contained in the 2021 PCE Synthesis Report**, which are detailed above. Based on the key messages and conclusions above, the recommendations from the report are as follows:

10. Recommendation 1: Improve grant-specific performance monitoring to inform implementation decisions.

- i. Establish routine grant review processes at the country level with a quality improvement lens, emphasizing grant-specific performance data and drawing on emerging evidence and data to better inform revisions that maximize impact. (PRs, Grant Management Division including Country Teams)
- ii. Implement proposed reforms of the grant rating system to better reflect both grant-specific performance and contribution of Global Fund grants to national program performance. Additionally, this should draw upon qualitative inputs, including expertise of the CCM, LFA, Country Team and wider Secretariat. (Grant Management Division, Strategy Committee, Board)
- iii. Based on the revised grant rating system, the Secretariat should also develop a set of indicative options to demonstrate how good and poor performance could be responded to, and a framework for deciding when and how to introduce these measures in different contexts and circumstances (Grant Management Division, Strategy Committee, Board).
- iv. Strengthen the use of revised RSSH indicators to address delayed implementation and potential deprioritization throughout grant implementation. (PRs, Grant Management Division including Country Teams)

11. Recommendation 2: Build in more flexibility and responsiveness in implementation by simplifying grant revision processes to encourage their use throughout the grant cycle.

- i. Consider flexibilities and streamlining of material program revision process to encourage/reward earlier introduction of innovative programming that maximizes impact and limits non-strategic budgetary shifts to later in the 3-year grant cycle. (Secretariat)
- ii. Introduce flexibilities to PR and SR contractual arrangements and performance frameworks that can be used to introduce mid-term changes as required. (PRs, Grant Management Division)

- iii. Through the Secretariat's planned grant revision review (mid-2021), examine how countries could strengthen data-driven revision decisions (thereby avoiding the over-reliance on financial data to guide revision decisions), in line with establishing a more streamlined, flexible process for program revision. (Secretariat)

12. Recommendation 3: In order to reduce gaps between policy guidance and grant design, improve communication around how to invest more strategically in RSSH, including CSS.

- i. In the next Strategy, the Global Fund Board in collaboration with the Secretariat should clarify their position on whether the primary objective of RSSH is to support the three disease programs or to invest more holistically in health systems strengthening. (Board, Secretariat RSSH team)
- ii. Clarify specific Global Fund RSSH priority areas and what strengthening as opposed to supportive investment would look like for these, including specific purpose, indicators and targets in performance frameworks. (Secretariat RSSH team, Country Teams)
- iii. To facilitate integration and strengthening RSSH, ensure proper engagement and ownership from health system planning experts and leaders to support health sector-wide programming decisions, including alignment of grant design and sustainable financing within wider national health, health system and universal health coverage (UHC) policy context, and the timelines associated with broader strengthening efforts. (PRs, Country Teams)

13. Recommendation 4: In order to improve grant contribution to equity and SO3, explicitly promote grant investments in these areas, including through more direct measurement of the drivers of inequity and of outcomes of human rights and gender investments.

- i. Invest more in data and data use, including up-to-date KVP surveys as well as other data sources that shed light on socio-economic, gender, geographical and ethnic differences in disease burden and access to services that grants are aiming to contribute to. (Country Teams, national stakeholders)
- ii. Ensure performance frameworks incorporate existing data including on human rights and political commitment as well as disease burden and service access amongst different population groups and use this data effectively to monitor grant contribution to both SO3 and SO1 or disease impact. (Country Teams, national stakeholders)
- iii. Recognizing the success of strategic initiatives and/or matching funds in incentivizing grant investments in reducing equity, human rights and gender related barriers to accessing services, prioritize scaling up across the portfolio and incentivizing such investments through mainstream grant management operations. This should include explicit efforts to improve implementation and where necessary, timely revisions to maximize grant contribution to reducing barriers to care and disease impact. (Grant Management Division, Strategic Initiatives team)

14. The TERG in large part endorses the recommendations which flow from the conclusions, with some contexts and nuances that are discussed below.

- 15. The TERG notes, with appreciation, that several of the recommendations (e.g., reform of the grant rating system in relation to PR performance) have already been taken up by relevant teams in the Secretariat and are in the process of being reviewed.

16. The TERG shares the concerns expressed in the Report, and captured in Key Messages 1 and 2, that there appears to be limited transparency (or availability of systematic trail of changes) around budget at the grant-making stage. Examples of this include reductions in the grants for RSSH and equity-related investment areas.
17. The TERG considers that Recommendation 2 on flexibility and responsiveness around grant revisions is a priority area for attention. The TERG recognizes that there is a need to find the right balance between speed and ease of revisions mid-term, and quality technical advice. However, grant implementers need to be able to respond to changing information and circumstances in a timely way and be encouraged to innovate. Lessons learned from the flexibility of the COVID-19 response may be helpful. The TERG has requested that the PCE share further analysis during the three months extension period on how to improve this.
18. RSSH: The Report emphasizes the central importance of RSSH to achieving the Global Fund's core mission, which has also been previously highlighted in the TERG evaluations of RSSH in 2019 and the Strategic Review 2020 (SR2020). However, progress in this area continues to be mixed for a range of reasons. Recommendation 3 makes some suggestions as to how this could be improved. The TERG strongly supports the suggestion that the Global Fund clarify specific Global Fund priority areas for RSSH funding and limit its investment to areas where it has a clear comparative advantage and can add value. The areas could include data management, procurement and supply chain management, diagnostics and community systems strengthening. Specifying areas would also make it clearer to country stakeholders what they can request in their funding applications and these should be very specifically spelled out unambiguously in the next Strategy.
19. The added value of RSSH investments appears to have been magnified by the COVID-19 response. Focused funding on aspects of RSSH that underpin progress against the three diseases will also contribute to overall strengthening of health systems and to achieving UHC. However, the TERG is of the opinion that to achieve this, there needs to be engagement and ownership by health systems planning experts, not only the disease specific experts.
20. The TERG supports the need for greater understanding within the Secretariat and at the country level of what is health systems support versus what is health systems strengthening. The TERG agrees that RSSH is a continuum from support to strengthening and that these are sometimes difficult to distinguish and classify. The TERG commends Annex 4 in the PCE Synthesis Report for its clear explanation on how the consultants defined the two categories and steps for use as possible guidance for the Secretariat and implementing countries. This could assist them in analyzing whether RSSH investments in Global Fund grants constitute health systems 'support' or 'strengthening'.
21. The TERG fully endorses the Recommendation 4 that there should be greater investment in data and data use to improve grant contribution to SO3. However, it is important not to confuse coverage data with outcome indicators. It is important to understand what the drivers of inequality are and what programs are actually making a difference. Investment in capacity development of

data use and decision making should not only be at national policy level but also at subnational and community levels, as a better understanding at these levels is critical for sustainability.

22. The TERG repeats its support for the development of a Theory of Change (ToC) to clarify and articulate how the Global Fund will achieve its Strategic Objectives. A ToC will aid the much-needed agreement on the positioning of RSSH and HRG-Equity as facilitators of impact and sustainability, and move beyond a tendency to view implementation of SOs as discrete or siloed activities.

Proposed next steps

23. The SC and the Secretariat are requested to consider the above findings and strategic considerations for improving the Global Fund model as well as clarifying the next Strategy. Additional details are available in the PCE Synthesis Report and its annexes.

24. The PCEs will be extended from April to June 2021 to conduct some important final analyses on:
 - i. RSSH “support versus strengthening”;
 - ii. The reasons for the limited uptake of RSSH coverage indicators in the NFM3 grant performance frameworks; and
 - iii. COVID-19 and the flexibilities that were used and could perhaps be used more generally.

In addition, the PCEs will provide country-based data in support to some thematic evaluations taking place in the same period and for some strategic initiatives implemented in PCE countries.

25. Concurrently, an external evaluation of the PCEs will be conducted with the aim of assessing the extent to which the PCEs have generated the expected content and quality of evidence and the extent to which the PCEs have been useful for improving the programs at the country level and have provided inputs to improve the Global Fund business model. This PCE evaluation will also draw lessons learned to inform future independent evaluation work with a focus on country-based evaluation and assess whether and how the PCEs contributed to build sustainable in-country capacity to analyze the health sector and the Global Fund model.

Annexes

The following items can be found in Annex:

- Annex 1: Relevant Past Board Decisions
- Annex 2 Links to Relevant Past Documents & Reference Materials
- Annex 3: TERG PCE Synthesis Report
- Annex 4: List of Abbreviations

Annex 1 – Relevant Past Board Decisions

Relevant past Decision Point	Summary and Impact
GF/B42/DP03: Sources and Uses of Funds for the 2020-2022 Allocation Period	The Board approved the use of an additional USD 90 million for the 2020-2022 allocation period's catalytic investments, bringing the total amount for catalytic investments for the 2020-2022 allocation period to USD 890 million, to be made available for the priorities and associated costs.
GF/B36/DP06: Catalytic Investments for the 2017-2019 Allocation Period (November 2016)²	The Board decided that USD 800 million would be available for catalytic investments over the 2017 – 2019 allocation period for the priorities and associated costs presented in Table 1 of GF/B36/04 – Revision 2, including USD 22 million for TERG PCEs.

Annex 2 – Relevant Past Documents & Reference Materials

[GF/B36/04](#): Catalytic Investments for the 2017-2019 Allocation Period – Revision 2

[GF/B42/DP03](#): Sources and Uses of Funds for the 2020-2022 Allocation Period

Annex 3 – TERG PCE Synthesis Report

Report is provided separately

Annex 4 – List of Abbreviations

CRG	Global Fund Communities, Rights, and Gender Team
HRG-Equity	Human rights, gender, equity
KVP	Key and vulnerable population

² <https://www.theglobalfund.org/board-decisions/b36-dp06/>

NFM2	New Funding Model 2 (2017-2019 allocation period)
NFM3	New Funding Model 3 (2020-2022 allocation period)
PCE	Prospective Country Evaluation
PR	Principal Recipient
RSSH	Resilient and sustainable systems for health
SO	Strategic Objective
SR	Sub-recipient
TERG	Technical Evaluation Reference Group
ToC	Theory of Change
UHC	Universal health coverage