



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

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Attachment 1

The Global Fund to Fight AIDS, Tuberculosis and Malaria

Technical Evaluation Reference Group (TERG)

A Self Assessment

28 August 2009

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CHAPTER 1: INTRODUCTION

1.1 Background and Purpose

As recommended in the Global Fund's original monitoring and evaluation strategy, the Board called for the establishment of a new external advisory body – the Technical Evaluation Reference Group¹ (TERG) in 2003. TERG became operational in September 2004 with the mandate to provide independent assessment and advice to the Board on issues related to monitoring and evaluation. The TERG is also mandated with providing advice to the Global Fund Secretariat on evaluation approaches and practices, reporting procedures and other technical and managerial aspects of monitoring and evaluation.

TERG has commissioned a number of external evaluation studies since its inception, including the recently-completed Five-Year Evaluation, the LFA Assessment, CCM Assessment, Global Fund 360° Stakeholder Survey and others, which have generated valuable, practically applicable knowledge and have contributed to improving Global Fund performance. A full list of TERG evaluations completed to date is given in Section 2.8. In its commitment to continuous improvement and quality management, TERG has undertaken an assessment of its own performance in order to identify strengths and weaknesses and to suggest changes and improvements in its mandate and mode of operation.

Further, at the Nineteenth Board Meeting in May 2009, the Global Fund Board requested *“the Chair of the Board, in consultation with Committee Chairs, to set up a small ad-hoc committee by 30 June 2009 with the specific task of assisting the Board, through the PSC, to... further define the role of the TERG in relation to independent evaluations, the resources required and Board oversight of the process”*². This assessment of TERG performance will form part of the background documentation informing the work of this Ad-hoc Committee.

As such, the primary audience for this report is the Global Fund Board and its Committees as well as a variety of knowledgeable and interested external stakeholders. Through posing a series of questions to a variety of stakeholders and TERG members, this report summarizes the TERG's experience and achievements, while maintaining a forward looking perspective. Specific recommendations are proposed for a possible evolution of the TERG's future role, objectives and mode of operation, for consideration by the Board.

1.2 Context: Why did Global Fund establish an external Technical Evaluation Reference Group?

Why was the TERG established in the first place? It is important to clarify the initial reasons because they reflect the Board's original intention for the role of the TERG and the criteria against which performance should be assessed.

In the early discussions of the monitoring and evaluation functions of the Global Fund, the Board requested the Monitoring, Evaluation, Finance and Audit Committee (MEFA) to discuss advantages and disadvantages of having an evaluation function external or internal to the Secretariat (Fourth Board Meeting January 2003).³ MEFA considered alternative methods of assuring impartial evaluation of Global Fund performance and agreed that approaches should be related to the purpose of any given evaluation. MEFA considered that ongoing Global Fund processes and

¹ GF/B6/11 (Annex 1). Management Arrangements for the Global Fund's M&E.

² Decision Point GF/B19/DP29

³ Report of the Fourth Board Meeting (GF/B5/2) (amended).

their outcomes could be measured and assessed through internal efforts, but felt strongly that the impact of the Global Fund should be measured through independent, externally commissioned studies.⁴

The MEFA Committee stressed the importance of independent evaluations and recommended that for evaluation to be credible, it must be done independently either through external evaluators, a unit within the Secretariat that has independent reporting from the areas being evaluated, or a separate unit outside of the Secretariat, possibly accountable to the Board.⁵

MEFA debated the advantages and drawbacks of establishing a wholly-independent unit to manage the Global Fund's evaluation function. The advantages of this structure included impartiality and robust organizational checks and balances, while the drawbacks were foreseen to be a loss of internal accountability for results and the failure to develop a culture of self-correction and learning. As a compromise, MEFA recommended in its meeting April 2003:

- That the Global Fund should establish an internal unit that managed the M&E aspects of the Global Fund, including the commissioning of external studies; and
- That to ensure an adequate level of objectivity, an external and independent technical body should be established to advise the Board on technical aspects of the Global Fund's evaluation processes and content.

In other words, MEFA decided the Global Fund should have an internal evaluation function, complemented and moderated by an independent group of experts – protecting external evaluations from the political pressures exerted by the Board and Secretariat.

The Global Fund's M&E strategy approved at the Sixth Board Meeting⁶ further details the rationale for establishing a TERG and the expected balance between internal and external evaluation. On one hand, the M&E strategy states that "the Executive Director is responsible for all Secretariat work, including the execution of the M&E strategy". It is clear that monitoring and evaluation are integral to the Secretariat's work to ensure that policy decisions are based on timely and relevant strategic information. M&E directly impact the Fund's core business operations.

On the other hand, given the scale and public origin of the funds under management by the Global Fund, it is vitally important that the Fund generate performance information that gives impartial and independent insight into the Fund's achievements and operations. It was emphasized that the M&E strategy should "be sufficiently robust and independent to satisfy the investors in the Global Fund while minimising the need for separate audits by investors' own auditors" and that it should "allow for continuous and early lesson learning process for the Global Fund, and facilitate feedback into proposal guidelines for future rounds".

1.3 Methods and Limitations

This report comprises a TERG self-assessment supplemented by comments and observations from representatives of the Global Fund Secretariat, Board, Committees and other external stakeholders. This TERG paper has been prepared

⁴ MEFA Committee Meeting Report, 2-4 April 2003

⁵ MEFA Committee Meeting Report, 4 June, 2003

⁶ Monitoring & Evaluation Strategy (GF/B6/11).

with the assistance of an external consultant, Stein-Erik Kruse, who conducted a survey of all TERG members, conducted telephone interviews with various external stakeholders to obtain external assessment input, and drafted the report. TERG has reviewed, discussed and made contributions to the final product and takes full responsibility for its conclusions and recommendations.

The assessment has used the following methods for collecting data and information:

- (a) Review of TERG background and meeting reports⁷;
- (b) Feedback from TERG members with the help of a web based survey instrument;
- (c) Interviews with selected internal and external stakeholders to garner structured inputs on the role, operations and performance of the TERG⁸;
- (d) Collective TERG discussions (Frankfurt 15 July) of the group's role and performance based on preliminary findings and draft recommendations;
- (e) Contributions from TERG members to finalization of the draft report.

The reliability and validity of the findings included in this assessment should be treated with caution as:

- The sample of external informants is not representative. As such, some of the findings could have been different with another and/or broader group of interviewees.
- Some observations are based on personal perceptions and reflect institutional relationships to the TERG. Such perceptions are important, but not always based on facts or shared by all stakeholders.
- This is primarily TERG's assessment of its own role and performance which means there will be other views and perspectives.
- This relatively short study was carried out in short period of time and as such cannot reflect the full extent of the range of opinions.

1.4 Guide to the Reader

Chapter 2 provides an overview of the findings and observations. Each sub chapter begins with a description of TERG members' assessment of the group's role and performance, based on responses from survey, interviews and written comments. This TERG assessment is followed by feedback from selected staff within the Secretariat, members of the Board and Committees and external consultants who have worked with the TERG. Throughout Chapter 2, observations are attributed to each of these groups or categories without identifying individuals. Chapter 3 presents a theoretical perspective on the purpose and management of evaluations in organizations like the Global Fund as a background for the discussion of future options. Chapter 4 presents the summary of the findings and future options along with TERG recommendations.

⁷ <http://www.theglobalfund.org/en/terg/?lang=en>

⁸ See Annex 2: List of Informants.

CHAPTER 2: FINDINGS AND OBSERVATIONS

2.1 Mandate and Objectives of TERG

TERG members and external stakeholders were asked to what extent the mandate for the TERG has been clear, whether it has been contested, and to what extent the objectives have changed over time. Respondents were also asked whether the reporting and communication lines have been effective and whether there is a perceived need for a TERG in the future, and if so under what conditions.

The main reason for establishing the TERG was, as mentioned previously, to strengthen the independence of the internal evaluation function in the Global Fund – and to find a compromise between commissioning and managing evaluations internally and externally. However, the mandate established for the TERG has been much broader than to assure independence of evaluations. The group's mandate is described in its terms of reference, and in the Board-approved 'Management Arrangements for the Global Fund's M&E' which are presented as Annex 2 and Annex 3 respectively. On one hand, the TERG is mandated with providing independent assessment and advice to the Board, but it is also tasked with providing "advice to the Global Fund Secretariat on evaluation approaches and practices, independence, reporting procedures and other technical and managerial aspects of monitoring and evaluation at all levels".

TERG member assessment

According to most TERG members, the TERG's mandate is relatively clear, but presents some issues. The group mentioned in particular confusion and misunderstandings created during the Five-Year Evaluation, as follows:

- There has been some confusion and misunderstanding inside and outside TERG on its role in the Five-Year Evaluation and the perceived need to be formally independent from the secretariat, and the independent technical role of TERG in all its other work for the secretariat.
- TERG was interpreted as limited to the FYE.
- Sense from some people that TERG was over-involved in managing the Five Year Evaluation rather than just ensuring the quality of the evaluation.
- The role of TERG as technical support on M&E for the Secretariat and the mandate to implement evaluation processes of other components and activities of the GF (including the Secretariat) was ambiguous in the original TOR.
- There seemed to be confusion in the early days of the TERG, but over time the mandate has become much clearer.

The majority of the members are of the opinion that the objectives have not changed or been revised and that the TERG's activities have been in line with its original mandate. There is full agreement among all TERG members that such a group is needed also in the future. However, most of the TERG members believe that the TERG's mandate has been contested by groups within the Secretariat and the Board/Committees. These observations are highlighted below:

- There is a natural resistance from any institution to face external and independent evaluations.
- In the beginning, some Board members seemed not to appreciate the role of TERG. With time, the TERG's place has been progressively seen.
- There have been worries inside the Secretariat and outside the GF with the role of TERG vis-à-vis perceived quality issues in the Five-Year Evaluation.
- The AMFm group within the Secretariat continues to question the role of the TERG in the Board mandated independent evaluation of the AMFm. On the other hand, the Board itself confirmed the important role of the TERG at the most recent meeting in Geneva.
- Initially, PSC found it difficult to understand and accept the role of TERG, which they themselves had set up.
- The mandate has increasingly been understood and appreciated by the Board. In the course of time the TERG was thus strengthened.
- The TERG is needed more than ever. Its main strength is its independence. The Global Fund is a new institution that still has to find its niche, applies a new approach to development assistance that as such still has to prove itself, and therefore continues to need independent, but committed advice.

External assessment

Representatives from the Secretariat were of the opinion that the original mandate had been too broad. The two roles – supporting the Secretariat and providing evaluation oversight/reporting to the Board on independent evaluations are different in character and potentially in conflict. The written objectives of the TERG have not changed over the five year period, but its role and focus have changed significantly – from being a sounding board for the Secretariat on a broad range of M&E issues to being occupied more or less exclusively with the Five-Year Evaluation. Interviews with staff show that the role of TERG has been and continues to be contested within the Secretariat, but the reasons for this are less clear. Perceived technical weaknesses in the Five-Year Evaluation and the perception that the TERG did not ensure a quality product were mentioned as possible reasons.

Board members interviewed for this assessment all recognized the importance of TERG and were in favour of having a TERG also in the future. Although some Board members questioned TERG performance, all expressed appreciation for what the TERG had done – in particular in relation to the Five-Year Evaluation. Board members did not question the role of the TERG and recognized the need for an independent body to review large and complex evaluation reports and to present actionable recommendations to the Board.

The feedback from the contractors who conducted the Five-Year Evaluation was mixed. On one hand, the contractors recognized that the TERG offered some useful comments, helped to produce a better quality evaluation and assured a certain level of independence, but the process and cooperation had been difficult, unnecessarily painful and not always constructive, from the contractors' perspective. The TERG was perceived more as a critical inspector than as a technical partner. It was mentioned that large evaluations are often guided by technical and advisory bodies providing three levels of quality assurance: (a) screening and selecting consultants based on technical and financial criteria, (b) reviewing initial inception reports presenting design and methodology and (c) reviewing and commenting on draft reports. In other words, there is a focus on checking premises and products while the evaluation process is left to the consultants, to avoid conflict of interest. In the Five-Year Evaluation, the contractors perceived the TERG's involvement to be micro-management rather than just providing evaluation oversight. It is notable that the

TERG considered this level of involvement essential to secure the quality of the evaluation.

Case study: the evolution of the TERG meeting agenda

A brief review of the agenda of the entire set of TERG meetings illustrates a gradual change in focus over time. The first meeting addressed a broad range of issues like the new measurement framework for the Global Fund, quality assurance for grant review and CCM standards and measurement. The work plan and budget for the Strategic Information and Evaluation Unit was also reviewed and commented on. The second meeting discussed Phase Two progress, the CCM assessment and started to prepare for the Five-Year Evaluation.

The objective of the third meeting was to make concrete recommendations to the Global Fund on evaluation approaches and practices, independence, reporting procedures and other technical and managerial aspects of monitoring and evaluation at all levels. The meeting also recommended that TERG members should be invited to participate in regional and country-level activities that would give hands-on insights into the operations of the Fund. The TERG feels this long-standing request has rarely been implemented.

From the Fourth Meeting (March 2006), the discussion of the Five-Year Evaluation became increasingly more dominant. During the Fifth Meeting the TERG spent time discussing the 360° Stakeholder Assessment and the evaluation of the Local Fund Agent System while the preparation of the Five-Year Evaluation continued. In the same meeting, the TERG reaffirmed its role in leadership and ensuring the independence and technical soundness of the Five-Year Evaluation.

In its Sixth Meeting (March 2007), the TERG began to discuss draft reports from Study Areas 1 and 2 and plans for Study Area 3. The TERG emphasized its desire for proactive and engaged involvement in the implementation of the Five-Year Evaluation and suggested TERG member participation in country missions and country Impact Evaluation Task Force meetings. The TERG also suggested mechanisms to improve TERG-Secretariat communications, including more frequent consultations, especially by teleconference.

The Seventh Meeting (September 2007) was devoted only to the Five-Year Evaluation, as were the Eighth, Ninth, Tenth and the two Working Group Meetings. The only exception was a discussion in the 11th meeting (in February 2009) of the Secretariat's initial ideas for the Global Fund Evaluation agenda for 2009-2010. The TERG emphasized the continuing need for a TERG budget and support structure, including a team of at least two dedicated full time professionals in order to maintain its operations.

The case study above shows that despite maintaining the same formal mandate and objectives, there has been an evolution of the TERG's routine agenda from being involved in a broad number of M&E issues to almost exclusively being engaged in the Five-Year Evaluation. This is explained by at least two factors – the complexity and scope of a massive task like the Five-Year Evaluation and the increased separation between the Secretariat on one hand and the TERG and Five-Year Evaluation on the other. The TERG was widely perceived as “managing” the Five-Year Evaluation rather than only advising the Secretariat, as the holder of the contract for the evaluation.

2.2 Reporting and Communication Lines between TERG and Global Fund Board, Committees and Secretariat

According to its mandate, the TERG was set up as an advisory body to the Secretariat and Board. The TERG is intended to serve all Board Committees, but has the Policy and Strategy Committee (PSC) as the main entry point for channelling recommendations to the Board. Among the PSC members the TERG Terms of Reference specify that one person will serve as the M&E Focal Point and as an ex-officio member of TERG. The focal point for the TERG within the Secretariat is the Director of the Strategy, Performance and Evaluation Cluster. The relationship between TERG and the Secretariat has evolved over time in three distinct phases as explained in box below.

Phases in the relationship between TERG and Secretariat

Phase 1: A Partnership approach

The first phase spans from TERG's inception until April 2007. The TERG focal point at this time was the Director of the Performance Evaluation and Policy (PEP) department, who was directly involved in establishing the TERG. All activities of the TERG were reflected in the jointly-developed Global Fund Secretariat M&E agenda. The TERG budget was included in the PEP Evaluation Team budget and TERG was supported in its technical activities by all evaluation team staff.

Phase 2: Development of an internal independent evaluation function

The start of the Five Year Evaluation in May 2007 represents the beginning of a second phase lasting until November 2008. To support the large burden of work associated with the Five-Year Evaluation, a specific team was set up within the Evaluation Team to support the new evaluation and two new staff were hired. This dedicated 5YE team consisted of three staff in total.

Phase 3: Segregation of the independent evaluation functions

The third phase began in November 2008 with the Global Fund restructuring and the appointment of a new SPE Cluster Director and new M&E Unit Director. Based on the request of the new Cluster Director, the TERG support team structure was modified and "shielded" from the Secretariat.* The TERG Support Team was asked to report directly to the TERG Chair operationally, and to report at the same time to the M&E Unit Director for administrative purposes.

* Letter from SPE Cluster Director to TERG Chair, Ref SPP/599/5YE/RA/fm

TERG member assessment

TERG's performance and effectiveness depends on the level and quality of communication with the Board, its committees and the Secretariat. The majority of TERG members agree that reporting and communication lines with the Board and Board Committees are clear and effective, although were somewhat more problematic in the early years. The importance of having a member from the PSC as an ex-officio member of the TERG was strongly emphasized. The PSC has not blocked or hindered TERG's communication and access to the Board in any way. The PSC has functioned more as a gateway – rather than a gatekeeper – for communications to the Board. The following TERG member observations provide additional insights:

- The communication with the Board and Board Committees has been good thanks to the Chair and Vice Chair.
- Having a representative from the PSC and constant reporting to the PSC and to the Board with feedback helped these lines of communication.
- Having the PSC Vice-Chair as an ex-officio member of the TERG has also been very helpful and should continue.

The current level of communication with the Secretariat is rated as unsatisfactory and ineffective by the majority of TERG members. When the TERG was established, there was a close and regular communication between TERG and Secretariat, and in particular between the Chair and the former Director of the Performance Evaluation and Policy (PEP) department. It was not possible to maintain a similarly constructive relationship with the new management. The SPE Cluster Director and M&E Unit Director requested to be removed from the TERG email distribution list, which further curtailed communications. The TERG as a result has become much more detached from the Secretariat's senior management – which the TERG sees as problematic for the effective functioning of an advisory body to the Secretariat.

External assessment

It seems to be a perception that TERG was created and influenced by prior leadership and that the role of the TERG was not acknowledged and adequately managed during the restructuring transition within the Global Fund. The TERG focal point, who is the new Director of the SPE Cluster decided to delegate the follow up of TERG to the Director of the M&E Unit. The Director for the Cluster has expressed openness and willingness to work with the TERG in the future as a group of peer experts.

2.3 Composition of TERG

Respondents were asked about the composition of the TERG and the balance in representation among geography, constituencies, gender, technical background, experience, etc. The assessment questioned whether the size of the group has been appropriate, whether the TERG is perceived as sufficiently independent and whether it has been perceived as technically competent.

The TERG has nine appointed plus four ex-officio members (the M&E focal point member of the PSC, plus representatives from UNAIDS, the Roll Back Malaria Partnership, and the Stop TB Partnership). Global Fund Board members nominate candidates for the nine appointed positions. Candidates are selected by a committee composed of the Chair or Vice Chair of the PSC, the Chair of the TERG, the Committee M&E focal point and the Executive Director of the Global Fund with administrative support from the Secretariat for information and documentation. The final proposed list of candidates is forwarded to the Board of the Global Fund for decision.

Currently, the TERG (excluding ex-officio members) consists of five women and four men. Two are from Africa, three from Europe, one from the US and three from Asia. The TERG's broad areas of expertise (based on their own assessment) are presented in the table below which shows the number of TERG members with significant experience in a each field of expertise.

Field of expertise	#
HIV/AIDS	10
TB	3
Malaria	4
M&E	11
Public Health	12
Data collection and quality insurance	9
Social sciences	5
Health management information systems	8
Quality management	5
Health systems strengthening	8
System effects	3
Development issues	7

TERG members normally serve for a period of three years, and may serve up to two consecutive terms. In addition, the terms of reference state that “after the first full term of a member, the rotation of members shall be such that approximately one third of the membership is changed every year”. The Board appointed 8 members of the TERG in March 2004. Under delegated authority, the MEFA Committee appointed the 9th member of the TERG at its meeting in May 2004. In October 2007, two TERG members resigned and were replaced. In November 2008, another TERG member was replaced. At its 6th Meeting in March 2007, the TERG considered the issue of TERG rotation and recommended that to ensure continuity, currently-active members should be retained for the duration of the Five-Year Evaluation. This recommendation was endorsed by the PSC. At its Nineteenth Meeting, the Board further extended the terms of these TERG members until the next Board meeting (November 2009).

TERG has been operational for almost five years and the terms of the initial members have been extended twice during this time. Six of the original TERG members have served at least one full term and are eligible to rotate out. The selection process to replace these members is currently under way and is expected to be concluded at the 20th Board Meeting.

TERG member assessment

The majority of TERG members find the composition and number of members in the TERG to be appropriate. However the written comments below reflect some concerns about regional balance and certain technical gaps.

- TERG needs to have a more strong perspective from implementers including nationals working permanently or for long time at country level. It is important to have the governments' perspective in addition to that of civil society and universities.
- Specific TB control expertise was lacking for too long during a crucial phase of the Five-Year Evaluation. This is now positively addressed.
- A better representation of Latin America and Asia would have been desirable; also the representation of the civil society of developing countries has been very weak.
- With Global Fund continuing efforts to engage in partnership with the Private Sector, in the future it might be useful to add expertise in formal and informal private sector issues at the country level.

External assessment

Interviews with the Secretariat and contractors reflected concerns pertaining to technical gaps in and independence of the TERG. Several mentioned that the mandate was too broad – making it nearly impossible to cover all technical areas in a small group like the TERG. It was also emphasized that being responsible for providing technical support to the Secretariat requires different skills and experience than to provide evaluation oversight and assure independence. It was mentioned further that technical competence had not been the only criteria considered when members were selected. Some more specific gaps were identified, like weak experience and expertise in qualitative evaluation methodologies, in management of large programme evaluations and to some extent in-depth knowledge of the Global Fund and the global donor environment.

Representatives from the Secretariat mentioned also that the process of selecting members is not sufficiently independent. An entirely independent process may not be feasible or desirable since TERG members need to be highly committed to and interested in the work of Global Fund, but the filtering of candidates through the current formal and informal negotiations involving the Secretariat, Executive Director and PSC are bound to be influenced by political considerations. The contractors for the Five-Year Evaluation were of the opinion that the TERG had not been sufficiently independent from either the Board or the Secretariat – and they believed the TERG had tried to change and improve evaluation findings.

2.4 Leadership of the TERG Chair and Vice-Chair

The assessment further questioned how the role and performance of the Chair and Vice-Chair is assessed – from setting the internal agenda to representing the TERG externally to the Board and PSC.

The TERG Chair and Vice-Chair are elected by the TERG members. The TERG Chair is invited to meetings of the PSC and the Board and at each meeting presents brief independent assessments on the performance and status of the M&E system. Recommendations from the TERG are advisory and not binding for the Board and Secretariat.

TERG member assessment

The TERG has so far only had one Chair and one Vice-Chair, who have also personified the TERG externally. Overall, TERG members rated the performance of the Chair and Vice Chair as very satisfactory – particularly in representing TERG to the PSC and Board, but slightly less so in maintaining relations with the Secretariat – which is seen to be beyond the control of the Chair to a large extent. Some of the written remarks are mentioned below:

- Recent difficulties in communication with the Secretariat seem to be a result of changes in the Secretariat.
- The TERG chair/vice chair has to make substantial inputs in terms of delivering on the TERG mandate. Future selection of TERG chair and vice chair should be carefully made, as it is highly demanding job and needs substantial investment of time on voluntary basis.

External assessment

Most informants external to the TERG acknowledged the Chair's extraordinary efforts in terms of commitment to the Global Fund and time spent in and between meetings - a level of effort which will be most likely impossible to sustain in the future. It was mentioned that TERG leadership essentially requires 30-50% of a full time job and that compensation for such efforts should be considered.

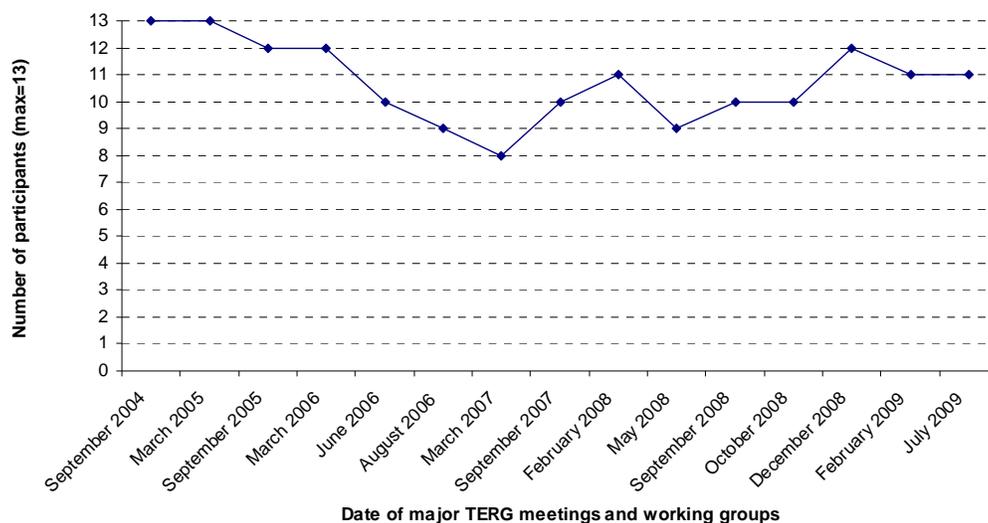
2.5 Meetings and Participation

The TERG is based on voluntarism. The effectiveness of the group depends on active participation in highly complex technical issues. Hence, it was important for this assessment to consider whether the workload has been acceptable and to what extent interest and motivation among members have been maintained.

According to its terms of reference, the TERG is required to have at least one formal meeting each year. Additional meetings may be scheduled if the need arises. In addition, other means of communication (e.g. e-mail and teleconferences) are used to facilitate exchange of views between formal meetings.

There have been 12 TERG meetings between September 2004 and July 2009 and three additional Working Group sessions on various topics. Several trips for study oversight and representation in Global Fund and PSC/Board meetings have also been arranged.

The attendance has to a large extent been satisfactory – members have made special efforts to come to the meetings and if not, have made themselves available through teleconference (see graph below).



The yearly rate of meetings varied according to the workload, from 2 to 5 per year. It was particularly intense during the 5YE but it did not significantly affect the participation of TERG members. The volume of the material to review before the meetings ranged from small proposals to close to 500 pages of evaluation reports.

TERG member assessment

The majority of the members find that the workload in general has been acceptable except during the Five-Year Evaluation. When asked more directly, most of the members are of the opinion that there have been too many meetings with too much preparation and too many e-mails and teleconferences.

- During the Five-Year Evaluation the requirements grew to an unsustainable level for a volunteer based group.
- Participation in the TERG meetings and teleconferences need substantial preparations and investment of voluntary time. While selecting new TERG members, this aspect should be brought up-front in the notice of the potential candidates.
- A full time job with a lot of responsibilities is difficult to combine with being a TERG member.
- One meeting per year should be acceptable.
- The complex nature and work load of the Five-Year Evaluation has been challenging.
- The workload has really been much, especially for members with other home-based responsibilities. What made the workload heavy especially as regards the 5YE was the inability of the consortium to deliver a good product and the lack of a capable and constant support team in the secretariat.
- At the beginning the documentation was scarce, but later the documents have been numerous and required a lot of time to read and give feedback.

Most of the members are of the opinion that interest and motivation among members have been maintained while some believe this is not the case.

- It has not been easy to maintain participation over such a long period of time, to ensure reasonable quorum at meetings and have members respond to draft documents.
- Attendance was often poor of some members.
- Any electronic communication going to TERG members, the response rate has been limited. Higher response rates would make TERG comments more robust.
- At the end of the Five-Year Evaluation, TERG felt overwhelmed by work.
- As the 5YE went on and was prolonged, the interest and motivation that was initially very much there, started diminishing.
- The TERG chair has been instrumental in actively engaging the members in effectively delivering the TERG mandate.
- Motivation without remuneration appears to be a problem. High calibre people have little time.

External assessment

The main problem identified by the Secretariat has been the varied and often weak participation and contributions between meetings – responding to mails and commenting on various reports. The technical contributions from members have been variable – to a large extent explained by the time required to respond to complex tasks, often unrealistic deadlines and lack of incentives for investing personal time over and above participation in meetings.

It was also mentioned that the limited capacity of TERG members to be involved in technical work has reduced their ability to provide technical advice and be involved in quality assurance. For these reasons, the TERG support team has been instrumental

in supporting the preparation of TERG reports and preparing the review of materials by the TERG, pointing out areas requiring particular attention.

2.6 TERG Support

In order to function effectively, the TERG depends on administrative and technical support from the Global Fund Secretariat. This assessment questioned the extent to which the support team has been able to provide adequate support and to provide the necessary links between TERG and the Secretariat.

According to the TERG's terms of reference, the Global Fund Secretariat should serve as the secretariat to the TERG, in particular with regard to the arrangements for TERG meetings, including providing logistic support. The terms of reference also make provision for additional support from external institutions as needed for specific functions of the TERG such as the preparation of reviews or analytical summaries of existing work and experience. In the year after the TERG's inception, the support function was outsourced to the University of Lausanne, but after a while this arrangement was not considered effective and the support function was re-integrated into the Secretariat. The support has mainly been provided by specific staff, but other staff within the PEP/SPE areas have also worked directly with the TERG.

As of July 2009, the TERG support team is comprised of two staff. One staff member is specialised in technical communication and facilitating TERG functioning (meetings, renewal of members, reporting to Board, TERG report preparation). The other is a technical specialist who coordinates the TERG workplan, providing pre-analysis of materials to guide TERG technical assessment and conducting the synthesis of TERG technical feedback.

TERG member assessment

One role of the support team has been to keep members updated. Two thirds of the members are of the opinion that they have been sufficiently updated on Global Fund activities and events, while one third disagrees.

- Too often, it was merely assumed that members were aware of the most recent developments within the GF. A regular update of latest developments at the beginning of each meeting would be most welcome.
- The TERG has had problems having a good and consistent support team in the secretariat to help move its work forward. This was really a major problem as regards the Five-Year Evaluation.

The majority of TERG members rate the administrative support given to the TERG as inadequate. There are two reasons for such a negative assessment. First, with the transition of administrative and financial systems twice in 2008 the Secretariat faced severe administrative challenges and organizational stresses (first transitioning to WHO's GSM system and then to the Global Fund's new GFS system). Further, the support team lost its administrative assistant after the Global Fund's restructuring.

In contrast, the current TERG support team is seen as providing satisfactory support to the TERG. The contractors were also satisfied with the level and quality of collaboration with the team. The "technical" support is rated as adequate and of high quality. The TERG comments below reflect these opinions:

- The Secretariat often went the extra mile.
- The number and time of professionals of the Secretariat to support the TERG activities were not proportional to the workload.
- There seems to have been more confusion than needed regarding TERG support during the period of the Secretariat reorganization. It is not clear to me that this has been totally sorted out.
- The competencies of HR provided by the secretariat have been very strong, but limited on number and time available.
- The quality of the technical support, conceptualising issues for the TERG reports, could be improved.
- Support for obtaining visa and travel booking has been less smooth.
- Administrative processes of travel arrangement and payment process have been messy.
- Varied over time, recently very good.

External assessment

It was mentioned by informants from the Secretariat that the TERG support function used to be more broadly integrated in the Secretariat, and that more recently the support team has increasingly been perceived as being outside the Secretariat - working for the TERG and with the Five-Year Evaluation (see section 2.2). On the other hand, the support team is comprised of regular staff members of the Global Fund. The TERG asked the Secretariat to be protected or 'firewalled' from operations, but the management interpreted this more literally and firewalled the team from internal communications.

2.7 Budget and Compensation

Compensation

According to the terms of reference, TERG members may receive an honorarium for each meeting (\$1000 per meeting) in which they participate, in addition to having travel expenses and per diems covered. The response from members varies when asked about the adequacy of compensation. The majority agree that compensation has been satisfactory. However, the written comments provide further insights and illustrate the importance and limitations in voluntarism.

- TERG members contribute their time mostly on voluntary basis. GF only bears travel costs and subsistence for the actual meetings plus a token honorarium.
- There is no need for personal compensation. It is sufficient seeing the outcome of the work of the Fund.
- If we compare the "honorarium" with the time and energies dedicated to the TERG, the compensation has been ridiculous.

Some informants from the Secretariat mentioned that higher expectations of TERG contributions would need to have consequences for the selection of members – either selecting more members from organizations willing to provide support to make staff available to the Global Fund or through better compensation.

TERG running costs

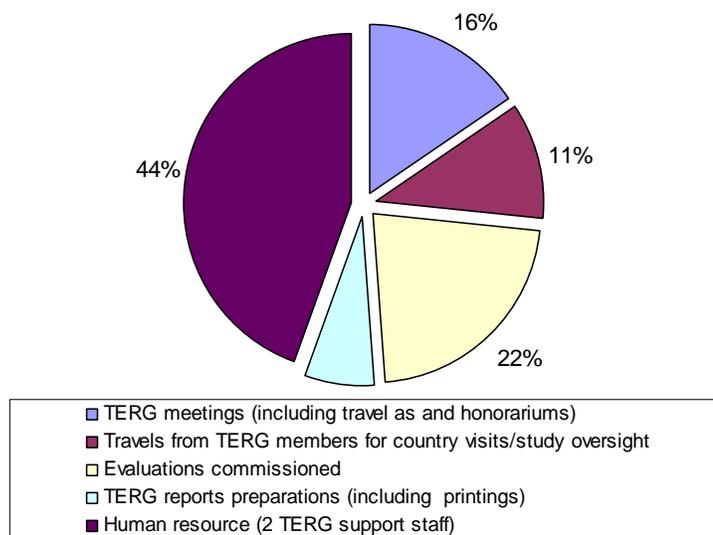
The TERG comes with a cost. The Five-Year Evaluation involved extraordinary efforts from the TERG, so the following cost estimates differentiate between a “normal” year and a “Five-Year Evaluation Year”.

Before the Five-Year Evaluation, the average yearly TERG related budget in 2004-2006 was about US\$ 650,000 but TERG was receiving technical support and assistance from the whole Evaluation Team.

During the Five-Year Evaluation the average annual cost was US\$ 1,025,000 apart from the cost of the 5YE contract. Most of the increase was due to the establishment of two new staff positions funded by the 5YE budget which was approved by the Board in November 2006.

Based on the 2004-2009 expenses, the average running cost for TERG during a normal year (including human resources) is estimated at US \$900,000. The average budget breakdown is as follows:

Distribution of TERG running cost



The TERG support team and the use of external consultants (for evaluations commissioned) represent the largest shares of the budget (close to 70%). The direct costs for the TERG include travel, a meeting honorarium and in addition, fees for engaging occasional consultants. In other words, it is not the TERG members that absorb most resources.

According to TERG, two support staff (one for administrative and communication matters and one for technical matters) is the minimum level of support required for the group to be effective. Whether the total cost of the TERG represents sufficient value for money for the Global Fund, is a question beyond this assessment.

2.8 Achievements and Results

The assessment asked respondents to what extent the TERG's overall achievements and results have been satisfactory. It is not simple to measure the performance of an advisory body like the TERG. There is no guarantee that its advice will be taken into account and followed – even if the recommendations are based on sound technical knowledge. In fact, the terms of reference specify that recommendations from the TERG are advisory, but not binding, to the Board and the Secretariat. There are also subjective elements in such a performance assessment and a comprehensive assessment would require more systematic work. However, the following are some preliminary findings related to TERG achievements and results.

In terms of tangible outputs, the TERG has been involved in the preparation of the following studies which are published on the Global Fund website:

2005: Assessment of Country Coordinating Mechanisms
2006: Assessment of the Proposal Development and Review Process 360° Stakeholder Assessment Review of the Global Fund Grant Portfolio
2007: Evaluation of the Local Fund Agent System Five-Year Evaluation Study Area 1 – Global Fund Organizational Efficiency & Effectiveness
2008: Five-Year Evaluation Study Area 2 – Global Fund Partner Environment
2009: Five-Year Evaluation Study Area 3 – Health Impact of Scaling Up Against HIV, TB & Malaria Five-Year Evaluation Synthesis Report

TERG member assessment

TERG members assess the overall TERG performance as moderately positive. The majority are of the opinion that the role of the TERG has been important and that achievements to some extent have been satisfactory, illustrated by the comment below:

- The 5YE was not a complete success, but other activities like the 360° review and the CCM assessment have proven to be quite useful. Recommendations from the 5YE will certainly help to improve the work of the GF, improve country ownership and establish better partnerships to achieve the much needed impact.

The members were also asked to rate the importance of three aspects of the TERG role:

- Assuring independence of the evaluation function.
- Strengthening the control of quality of evaluations.
- Providing technical support to the Secretariat.

The most important TERG achievement was clearly seen to be the assurance of the independence of the Five-Year Evaluation, followed by strengthening quality of evaluations and providing technical support to the Secretariat (with equal ratings).

TERG members are more uncertain as to the extent to which the TERG has made a difference in influencing Board policy and decisions – the majority believe that to

some extent they have made a difference. The comments below present examples of achievements and impact of the TERG's work:

- TERG at times assisted the Board fruitfully in having a closer look at important issues it may have otherwise neglected.
- The work plans approved by the Board to respond to questions raised by the 5YE and the decision to maintain the independence of TERG.
- TERG captured the attention of the Secretariat and Board on the need to have: a) an Early Warning System, b) an LFA evaluation, c) a focus on the HSS needs, and d) the Five-Year Evaluation.
- Even before the 5YE was completed, the Board was already discussing and using TERG findings and recommendations.
- The Five-Year Evaluation included findings and recommendations which had also been highlighted in previous evaluations. So, whether evaluation findings are actually being used to influence Board policy and decisions remain uncertain to me. The actions of the Board to follow-up on the Five-Year Evaluation will be illustrative.

The following aspects were mentioned as the most important achievements:

- Providing the Board with thoughtful advice on a number of relevant policy issues
- In the beginning, positively assisted the Secretariat in the development of its policies.
- Independence.
- The Five Year Evaluation.
- LFA study and Early Warning System.
- 360 Stakeholder review.
- CCM review.
- Providing high-level oversight of the Five-Year Evaluation.
- Communicating priority evaluation findings and recommendations clearly and succinctly to the Global Fund Board and to the public.
- Maintaining an effective, independent voice to assist the Global Fund Board and Committees to process evaluation findings.

External assessment

The assessment of TERG achievements by the Secretariat is variable – from the critical to those valuing the TERG as a necessary and useful buffer protecting the independence of evaluations within the Global Fund and providing necessary technical guidance.

Some Board members emphasized the importance of the TERG's role as an independent group reporting directly to the Board and valued the TERG's contributions – in particular in relation to the Five-Year Evaluation. Board members emphasized the Board is in need of a technical body that can 'digest' large and complex evaluations and advise the Board on appropriate recommendations and follow up.

CHAPTER 3: PURPOSE AND MANAGEMENT OF EVALUATION

3.1 Three Perspectives on Evaluation

The role and performance of the TERG can be assessed from various perspectives. In the previous chapter, we have tried to analyze and assess the extent to which TERG has met its original objectives. However, the assessment of the TERG is also placed within a broader discussion of the purpose of evaluation and its location and management within an organization. This chapter provides a brief theoretical perspective as a background for the concluding chapter.

In evaluation literature, there are at least three purposes mentioned for doing evaluations:

- (a) **Evaluation for accountability**, e.g. measuring results or efficiency to document to donors and to the entire global community, that investments are well spent and results are being achieved. *From the standpoint of donors, evaluation is often carried out to establish accountability. Donors and decision makers require more and better data and information about impact and what have been achieved from specific interventions.*
- (b) **Evaluation for organizational learning and improvement**, e.g. providing evaluative help to improve organizational performance. *For managers and staff in organizations, evaluations are often seen as more important for learning and improving institutional performance, revising strategy and program design, measuring and recommending changes in organizational processes, etc.*
- (c) **Evaluation for knowledge**, e.g. the acquisition of more profound understanding in some specific areas in order to explain development outcomes and impact. *This type of evaluation is carried out to generate further understanding of implementation processes and to explain results – increasing the understanding about factors underlying program and projects and determining outcomes.*

These three perspectives represent different ways to approach evaluations in terms of design, management and utilization, although these purposes are neither exhaustive nor mutually exclusive.

The issue of the relative weight to be given to the objective of accountability compared to the objective of learning is vitally important because it determines where the evaluation function should be located within an organization and the way it is organized. Different organizations have opted for different locations of the evaluation function. One key criterion is that the evaluation unit should be independent of the process concerned with policy making or operational management. Some organizations have placed the evaluation unit as close as possible to the Minister or Board of Directors, so that it is removed and independent from line-management, and can have access to and influence major decisions at policy level (e.g. World Bank). Others have located it as an independent unit nearer to the operational level

(e.g. Norad), while still reporting to the Board. Others have both an internal evaluation unit focusing on the learning aspects and an external evaluation function to ensure greater impartiality and accountability (e.g. Sida and CIDA).

The Global Fund is a large financing institution depending on numerous donors. Given the scale of public funding involved, independent evaluations are needed to ensure a sufficient level of external accountability. In addition, being a dynamic and a learning institution, Global Fund needs to adapt quickly to the evolving development challenges by ensuring routine evaluation of its organisational performance with the aim to improve its processes. However, the last type of evaluation seems less relevant to its mandate. Indeed, this type of evaluation for knowledge is more relevant for technical, academic or normative agencies and this should probably be carried out only through partnership arrangements.

3.2 Managing Risk in Independent Evaluations

There are risks associated with independent evaluations at all stages of the process, from planning, to providing oversight, interpreting results and presenting findings. On the other hand, these risks are not necessarily negative. They can provide opportunities if managed properly. None of these risks are more dangerous to an organization than the absence of an independent evaluation function.

The following table presents potential risks in four phases of the evaluation process. The third column presents what the risks are and how they can be mitigated. There is, for instance, a danger that independent evaluations become unaligned with TGF priorities, but this can be mitigated through effective consultations with the Secretariat and active TERG engagement. There is also a risk that evaluation designs and products are not technically sound. Such a risk is not possible to eliminate entirely, but can be reduced through clear delineation of roles and responsibilities and continuous support and communication between the TERG and Secretariat.

This table underlines the need for a strong Global Fund evaluation unit responsible for managing the evaluation process and maintaining appropriate communication and consultation with the Global Fund Secretariat and advisory bodies like the TERG.

Steps	Process	Specific Risks and Possible Mitigation
Planning of independent evaluations	Determination of independent evaluation agenda	- Agenda unaligned with TGF work stream + Mitigated by appropriate engagement of Secretariat with TERG
Independent oversight	Evaluation design, progress monitoring, endorsement of interim and final products	- Design and product are not acceptable or technically sound + Mitigated by appropriate delineation and definition of roles and responsibilities of TERG and Secretariat, plus continuous support and communication between TERG and Secretariat

Interpretation of results	Reviewing conclusions and recommendations	<ul style="list-style-type: none">- Inappropriate conclusions, recommendations unaligned with Global Fund strategy+ Mitigated by close collaboration of Secretariat with the TERG on the interpretation of results based on supporting evidence.
Dissemination of findings	Communication of results by the TERG to external audience and the Board	<ul style="list-style-type: none">- Findings not disseminated at all, or negative findings disseminated about the performance of the organization.+ Mitigated by ensuring an appropriate communication strategy is agreed with the TERG.

CHAPTER 4: CONCLUSIONS AND FUTURE OPTIONS

4.1 Summary of the Main Conclusions

1. When the Global Fund was created, the Board decided to locate the evaluation function within the Secretariat. A specific unit was established managing all aspects of monitoring and evaluation, including the commissioning of external studies. To ensure an adequate level of impartiality, an external technical body (TERG) was established to provide independent assessment and advice to the Board on issues of monitoring and evaluation.
2. The TERG was given a broad, threefold mandate: (a) provide independent assessment and advice to the Board (b) provide advice to the Global Fund Secretariat on evaluation approaches and practices and (c) assure the quality of evaluations. The TERG was mandated to act fully independently from the Board and Secretariat of the Global Fund.
3. The TERG was established when the Global Fund Secretariat was much smaller than today and the internal M&E capacity more limited. To have a technical advisory body as a sounding board for the M&E Unit in addition to its role in providing evaluation oversight was considered useful. The following problematic issues were identified in relation to the mandate:
 - (a) During the Five-Year Evaluation, providing evaluation oversight became the dominant role for the TERG, which included managing the evaluation on behalf of the Global Fund.⁹ This aspect pertains only to the TERG's mandate to assure the quality of evaluations and to provide independent assessment and advice to the Board.
 - (b) The TERG's roles in providing technical support to the Secretariat and assuring independence and quality control of evaluations through providing evaluation oversight are potentially conflicting mandates.
 - (c) The mandate has been too broad and ambitious for a group which meets only 2-3 times per year on a voluntary basis.
 - (d) The mandate and objectives have not changed formally, but the agenda and focus have evolved – from acting as a sounding board for the Secretariat on a broad range of M&E issues to almost exclusively focusing on external evaluations.
4. All TERG members are convinced that the Global Fund needs an independent TERG in the future – a view which is supported by the Board members interviewed for this assessment. The future independent role of the TERG has been contested by members of the Secretariat.
5. The communication and reporting lines with the Board and its Committees have improved over time and are perceived to be clear and effective. However the communication with the Secretariat has been reduced and is considered unsatisfactory. This is appropriate for a group with an independent oversight role,

⁹ In its Fifth meeting, the TERG reaffirmed its role in leadership and ensuring the independence and technical soundness of the Five Year Evaluation. The TERG confirmed it is the ultimate signatory on all products of the Five Year Evaluation.

but is not aligned with the TERGs original mandate to provide technical advice to the Secretariat on M&E issues.

6. The group has a well-balanced composition and the size of the group is found to be appropriate. The group has a strong technical background in the three diseases and M&E related skills. Some interviewees were of the view that the TERG had not been sufficiently independent from the Board and Secretariat, and that the selection process did not ensure full independence.
7. TERG members valued the performance of the Chair – particularly in representing the TERG to the PSC and Board. Most respondents commended the Chair for his extraordinary commitment to the Global Fund – and speculated that this is unlikely to be sustained in the future with a new Chair.
8. Participation in the TERG is based on voluntarism. All meetings have been well attended by TERG members and ex-officio TERG members; however the technical contributions have been variable in between meetings. The majority find the compensation to be satisfactory, but not in any way proportional with the time spent in preparing and attending meetings and teleconferences.
9. The TERG support team providing administrative and technical support to the TERG consists currently of two professional staff and is rated as very good. However the quality and quantity of support have varied over time. While the support function used to be more closely integrated into the Secretariat's evaluation function, the support team now in practice reports primarily to the TERG while at the same time being Global Fund staff members.
10. The TERG has been involved in the preparation of several studies and evaluations of which the Five-Year Evaluation is the largest and most complex, and also the most significant achievement. TERG members are of the opinion that assuring the independence of the Five-Year Evaluation was of foremost importance, even more so than providing quality control and technical support in other areas. The rating by staff in the Secretariat is variable – from the critics of such an independent group to those recognizing the TERG as a necessary mechanism to secure a more independent evaluation function. The Board members interviewed for this assessment valued the contribution of the TERG – in particular during the Five-Year Evaluation.

4.2 Future Options

The options proposed in this assessment will inform the work of the Ad-hoc Committee established by the Board “...to further define the role of the TERG in relation to independent evaluations, the resources required and Board oversight of the process.”¹⁰ It is anticipated that the Ad-hoc Committee will recommend a decision point for the Board's consideration at its Twentieth Meeting in this respect.

The TERG has broadly served two purposes – that of acting as a technical peer group and sounding board for the Secretariat, and increasingly as an independent technical body to ensure oversight and independence of external evaluations on behalf of the Board. The first purpose focuses on encouraging organizational learning and strategic development within the Secretariat, while the latter focuses on external accountability vis-à-vis the Board and donors. The Global Fund needs both functions. The TERG has tried to combine and find a compromise between the two.

¹⁰ Decision Point GF/B19/DP29, May 2009

The current model requires and builds on effective and active collaboration with the Secretariat. Such a “friendship” model was very dependent on the goodwill of individuals rather than a clear and robust accountability framework. While such a model worked well in the early years, it does not function effectively at the moment. TERG members believe the original mandate and mode of operation have several advantages, but that given the current relationship with the Secretariat, TERG cannot operate effectively at present.

For the TERG to effectively perform its intended role, the relationship between the Secretariat and TERG needs to be strengthened. The Global Fund has, in principle, three options for the organization and positioning of TERG. These options are presented below along with the advantages and disadvantages of each model.

Option 1: Discontinuation of the TERG and full internalization of the evaluation function

The first option is to discontinue the TERG from 2010 as a group reporting directly to the Board. This option would require significant strengthening of the current evaluation function within the Secretariat, which is responsible for both internal reviews and external assessments, and would continue report to the Board via the Executive Director. A technical and advisory support function could still be provided by ad-hoc expert groups. Such a model may have the advantage of cost savings. However, it does not satisfy the demands from donors or the full global health community represented on the Board, for impartial and independent evaluations. This option may entail significant reputational and political risk, perceived or actual conflict of interest and reduced external credibility.

Option 2: Restructure & strengthen TERG within an accountability framework guiding its work with all stakeholders

The second option is to build on the original mandate and continue TERG, but only after considerable restructuring and strengthening. This approach is based on the premise that the TERG needs to serve both the Secretariat, as a technical peer group, and the Board, by securing the independence of the evaluation function. In order to strengthen the original model, the following changes are recommended:

- (a) Clarify and formalize the role and mandate of the TERG in the Global Fund's governance by-laws – making the communication and reporting lines with the Secretariat and Board clearer and more robust.
- (b) Consider establishing the TERG as a separate committee reporting directly to the Board.
- (c) Include the Secretariat TERG Focal Point as an ex-officio TERG member to formalize the relationship between TERG and Secretariat.
- (d) Clarify the TERG's role in providing evaluation oversight in an advisory capacity, ensuring TERG does not directly manage external evaluations on behalf of the Global Fund.
- (e) Differentiate between the TERG's role of assuring independence of the evaluation function and advising the Board, and its role in providing technical support and advice to the Secretariat.

These changes could be undertaken as steps in establishing a clearer and more robust accountability framework. Such steps would also empower TERG to better carry out its advisory role through identifying evaluation priorities jointly with the Secretariat, advising on evaluation protocols and methodologies, selection of consultants, providing guidance on interim products, etc. An advantage of this model is that it builds on previous experience. The location of the TERG support function within the Secretariat is key to preventing conflict of interest issues – one of the main obstacles to TERG effectiveness.

Option 2A: TERG support function is located within the SPE cluster. In case this option is the preferred model, measures should be put in place to mitigate potential conflicts of interest and ensure independence.

Option 2B: TERG support function is located within the Office of the Inspector General. This option could help strengthen collaboration and communication with the Secretariat overall since communications will be free of any perceived or actual conflicts of interest that could compromise the independence of TERG.

Option 3: Fully externalize the Global Fund evaluation function

The third option is to establish a fully-independent evaluation team within the Office of the Inspector General (OIG) focusing on external accountability and reporting directly to the Board, while maintaining the current internal M&E function for internal evaluations and organizational learning purposes. This independent evaluation team could be modelled after the World Bank Independent Evaluation Group (IEG).

Such a model would likely satisfy the demands of donors and the full global health community (represented on the Board) for a fully independent evaluation function, and could increase external credibility. While the Global Fund will not embark on any new Five-Year Evaluation in the immediate future, it is commonly recognized that there is an ongoing need for selected independent strategic and programmatic evaluations, and also external validation of internal reports. Under this model, the TERG would be linked directly to an Evaluation Secretariat within the Office of the Inspector General and would provide evaluation oversight only.

The increased cost of this model would be limited since it would mainly involve a reallocation of the independent evaluation portfolio to another unit of the Secretariat. This may require that some part of the regular evaluation work (including both staff and resources) be moved from the SPE cluster to the OIG, in addition to the TERG support staff.

TERG believes that neither the full internalization nor externalization of the evaluation function is desirable, due to the drawbacks outlined above. Instead, the TERG recommends the adoption of Option 2b as this model would require minimal modifications to the existing structure beyond formalization of working modalities, and appears to be the most robust structure for avoiding potential conflicts of interest. The success of this model could be further evaluated after a two year implementation period.

It is anticipated that the Ad-hoc Committee and PSC will discuss all options and possibly variations of the models presented. In reflecting on the best way forward, each of these options should be considered carefully in light of the Global Fund's primary purposes for undertaking evaluations and the priorities of its key stakeholders, as outlined in Chapter 3. No model is perfect, and the preferred model will depend on the objectives and priorities of the Global Fund Board.

Annex 1: List of Informants

TERG members¹¹

Rolf Korte – Chair
Rose Leke – Vice Chair
Atsuko Aoyama
David Barr
Stefano Bertozzi
Lola Dare
Bashirul Haq
Loretta Peschi
Lixia Wang

TERG ex-officio members

Paul Delay – UNAIDS
Jaap Broekmans – Stop TB
Bernard Nahlen – RBM
Paolo Teixeira – PSC

Former TERG members

Ties Boerma
Ernest Massiah

TERG support

Alex Lang – TERG Support
Beth Plowman – former Senior Evaluation Officer/TERG support
Mary Bendig – former Five-Year Evaluation Team Leader
Cedric Mahe – TERG Support

Board and Committee members

Sigrun Møgedal – Board member
Brian Brink – Alternate Board member private sector, PSC member
Hiroko Nakatani - ADG WHO/HTM, PSC member
Lennarth Hjelmaker – PSC Chair
Leslie Ramsammy - Board member (LAC)

Benchmark

Martha Ainsworth – IEG/ World Bank
John Parsons – Inspector General

Secretariat

Christoph Benn – Cluster Director Partnership and communication
Rifat Atun – current TERG focal point, Cluster Director Strategy, Performance & Evaluation
Daniel Low Beer – former TERG focal point
Bernhard Schwartlander – former TERG focal point
Serge Xueref – former evaluation manager

Contractors for the Five-Year Evaluation

Martin Vaessen - Macro
Leo Ryan – Macro

¹¹ TERG members provided feedback through a survey, review of draft in joint TERG meeting and through comments to findings and conclusions.

Annex 2: TERG Terms of Reference

Technical Evaluation Reference Group for the Global Fund to fight AIDS, Tuberculosis and Malaria

Terms of reference, membership and procedures

April 2007

I. Background

Issues:

1. As recommended in the Evaluation strategy for The Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) (REF) and agreed by the Board in its meeting in October 2003, the GFATM will establish a Technical Evaluation Reference Group (TERG). The Evaluation strategy spells out the broad areas of work to be addressed in Monitoring and Evaluation of the Global Fund. The diversity of issues, as well as the number and type of relevant partners and linkages, requires solid technical advice and coordination in the operationalization and execution of the strategy. The TERG shall provide independent advice, assessment and oversight for the Fund's work on Monitoring and Evaluation (M&E).

II. Terms of reference

2. The TERG shall provide independent assessment and advice to the Board of The Global Fund to Fight AIDS, Tuberculosis & Malaria on issues which it determines require board attention. The Board may also direct the TERG to examine specific programmatic aspects of the Fund, as appropriate. The TERG shall provide advice to the Global Fund Secretariat on evaluation approaches and practices, independence, reporting procedures and other technical and managerial aspects of monitoring and evaluation at all levels. Specifically, the TERG shall provide input and conduct regular reviews of progress towards the implementation and refinement of the M&E Strategy of the GFATM, and provide a link to broader discussion of monitoring and evaluation of HIV/AIDS, TB, and Malaria in general. This includes reviewing monitoring and evaluation activities in relation to:

- **The programme level:** performance based funding.
- **The country level:** linking performance with disease impact, and key processes related to disease impact including the principle of additionality, and the institutional architecture of the fund as it relates to country level performance.
- **The global level:** added value of the Global Fund, including the Global Fund's Grant portfolio, and monitoring of key performance indicators for the Fund as an organization; health system-wide effects of the Global Fund, including the principle of additionality and harmonization of efforts with existing national and international M&E systems.

3. The scope of work for TERG shall include:

- providing technical review and advice on the processes and the products of the monitoring and evaluation activities of the Global Fund;
- identifying priorities and gaps in the Monitoring and Evaluation Plan and

outlining an agenda to address them;

- advising on harmonization of monitoring and evaluation approaches of the Global Fund, and on dissemination of best practices, including through appropriate partnership arrangements
- critically assessing the quality and usefulness of selected reports of internal and external evaluations, assessments, qualitative and quantitative research of relevance to the Global Funds monitoring and evaluation efforts;
- regularly reviewing the total product of the M&E system established and reporting on its quality, timeliness, relevance and use to the Board through MEFA
- In addition, the TERG may provide support as needed to the Board of the Global Fund as well as to the Global Fund Secretariat, including:
 - providing input to the further development and implementation of the Global Fund's functional evaluation frameworks;
 - providing guidance in technical resource networking related to monitoring and evaluation of the Global Fund;
 - advising on the dissemination of findings and lessons learned from evaluation activities; and,
 - strengthening inter-organizational networking, in particular coordinating with and building on established M&E reference mechanisms such as the UNAIDS and Roll Back Malaria Monitoring and Evaluation Reference Groups (MERG), or the Stop TB Evaluation advisory panel.

4. The TERG shall serve all the three Board Committees, but have the Policy and Strategy Committee as its main entry point for recommendations to the Board committee structure. Among the PS Committee members there should be a person that can serve as a Monitoring and Evaluation focal point in the Committee structure and be an Ex officio member of the TERG.

III. Membership

5. The TERG shall have 9 appointed plus 4 ex officio members representing the broad range of disciplines required for Monitoring and Evaluation of the Global Fund. Selection of TERG Members

6. Each Board member of the Global Fund may nominate candidates who match the profile and qualifications defined in paragraph 7 (up to 4 candidates per board member). The names of candidates will be submitted to the Policy and Strategy Committee with the appropriate information and documentation through the Secretariat. The PS Committee with the support of the Fund Secretariat, will recommend a proposed list of appointees to the selection committee which is comprised of the Chair or Vice Chair of the PS Committee, the Chair of the TERG, the Committee M&E focal point and the Executive Director of the Global Fund or his/her designee. The final proposed list will be forwarded to the Board of the Global Fund for decision. The confirmed appointees will be invited to become members of the TERG by the Executive Director of the Global Fund. The M&E focal point member of the PS committee as well as the chairs of the monitoring and evaluation reference panels of UNAIDS, Roll back Malaria, and StopTB shall be ex-officio members of the TERG. In addition to the regular TERG membership, additional experts may be invited to participate as the need arises.

7. Membership of the TERG shall be drawn from a range of stakeholders, including practitioners, research institutions, academics, donor and recipient

countries, and non-governmental organizations and shall be guided by the following criteria:

- credibility and independence
- expertise and experience in monitoring and/or evaluation,
- country experience in data collection and quality assurance
- knowledge of HIV/AIDS, tuberculosis and malaria issues;
- knowledge of the Global Fund and its activities;
- commitment and availability to participate in meetings;
- absence of conflict of interest;
- geographical representation; and,
- Gender balance.

8. The disciplines considered essential for the TERG include evaluation, monitoring, public health (including epidemiology/biostatistics), HIV/AIDS, Tuberculosis and Malaria, social sciences (including behavioural sciences, demography, operations research etc.), programme management including health management information systems (HMIS), and issues related to development, such as sector wide approaches and harmonization. The members shall act fully independent from the Board and Secretariat of the Fund.

9. Members of the TERG shall normally serve for a period of three years, and shall be eligible to serve not more than two consecutive terms.

10. After the first full term of a member, the rotation of members shall be such that approximately one third of the membership is changed every year.

11. In the event that a TERG member is unable to attend a meeting, he/she will be exceptionally able to designate a replacement subject to prior approval of the TERG Chair.

12. TERG members may receive a honorarium for their service as TERG members, as approved by the Fund Secretariat, in addition to travel expenses and per diems.

IV. Chair

13. The TERG Chair and Vice-Chair shall be elected by the TERG members from among its membership. The ex-officio members of the TERG cannot hold the position of chair or vice chair. The rules regarding the length of appointment set out in 9 and 10 above apply equally to the Chair and Vice-Chair. In their identification, appropriate consideration shall be given to geographic representation, discipline, skills and expertise, and gender.

V. Meetings

14. The TERG will have at least one formal meeting each year, scheduled at a time convenient to at least half plus 1 of the members. Additional meetings may be scheduled if the need arises. Sub-groups of the full TERG may be convened by the Chair in consultation with the M&E focal point member of the PS Committee and the Secretariat on an *ad hoc* basis to consider specific issues. In addition, other means of communication (e.g. electronic discussion groups, video conferencing) will be used to facilitate exchange of views between formal meetings and arrangements will

be made for regular access to relevant information from internal and external M&E activities related to the Global Fund as specified by the TERG.

15. TERG members will normally be notified two months in advance of meetings and will be sent relevant documentation one month prior to the meeting.

VI. Reporting

16. A summary of the meetings shall be issued within one month of the close of each TERG meeting by the chair of the TERG. This summary shall be distributed to all TERG members and made available to GFATM board members, all members of the Three Board Committees and the Fund Secretariat.

17. The TERG Chair shall be invited to meetings of the PS Committee and the GFATM Board and shall at each meeting of the Board present brief independent assessments on performance and status of the M&E system to the Board, based in the TERG mandate. Recommendations from the TERG are advisory, but not binding, to the board of the Global Fund and the GFATM Secretariat. Board Committees dealing with recommendations from the TERG can not revise the recommendations or block them from reaching the Board, but will prepare Board actions to accompany such recommendations, following regular procedures

18. A summary of TERG activities and main recommendations shall be included in the annual evaluation report prepared by the Global Fund Secretariat, which shall be prepared in consultation with the TERG. The chair of the TERG shall give an independent report to the board of the Global Fund through its MEFA Committee. This report shall include comments on, the annual M&E report of the Global Fund Secretariat.

VII. Secretariat

19. The Global Fund Secretariat will serve as the secretariat to the TERG, in particular with regard to the arrangements for TERG meetings, sending of invitations and providing logistic support. In addition, the Global Fund Secretariat may be supported by an external institution which will also make additional arrangements as required to support specific functions of the TERG such as the creation and servicing of electronic discussions groups, the preparation of reviews or analytical summaries of existing work and experience in support of the work of the TERG. The supporting institution will be selected through an independent search based on expertise, logistical and cost considerations by the Secretariat of the Fund. The work carried out to support the TERG will be under the oversight of the chair of the TERG.

Annex 3: Management Arrangements for the Global Fund's M&E (GF/B6/11)

1. **The Global Fund's Board** decides on the Monitoring and Evaluation strategy for the Fund, and oversees its execution through the **Monitoring and Evaluation, Finance and Audit Committee (MEFA)**. MEFA provides policy guidance to the Fund's Secretariat on monitoring and evaluation issues and oversees their implementation by the Secretariat. MEFA also prepares decisions for the Board. For its decision making, the Board needs to have access to relevant strategic information on progress made vis-à-vis the goals of the Fund stated in its Framework Document and subsequent Board decisions and on the cost-efficiency in achieving this progress.
2. **The Global Fund's Executive Director** has the ultimate responsibility to the Board for all work of the **Secretariat**. This includes work on Monitoring and Evaluation. As such, the Executive Director carries the responsibility to provide regular and ad hoc reports on progress made to the Board and to MEFA. It is critical that this performance information gives impartial and independent insights to the Fund's operational achievements and areas for improvement. At the same time, it is critical that monitoring and evaluation is an integral and daily part of the Secretariat's work to ensure that policies are implemented correctly, that standards and goals are met, that lessons learned are rapidly turned into operational and policy improvements, and that all of these outcomes are based on timely and relevant strategic information which feeds directly into the Fund's core business operations. This includes to ensure that:
 - o the Secretariat cost-effectively implements the Global Fund's fiduciary arrangements, including the performance based funding system;
 - o the Secretariat Portfolio Team receives timely and relevant technical support as required to effectively implement the Fund's performance based funding system;
 - o strategic information and analyses are directly relevant for designing and improving cross-cutting strategies, policies and procedures;
 - o the Secretariat administrative functions are accountable, efficient and cost-effective.
3. To ensure transparency, the **Global Fund's Board** will have access to all performance information, studies and evaluations compiled by the Secretariat and commissioned to external evaluators according to a **Monitoring and Evaluation Operations Plan**. This will include the inputs and advice received from an external **Technical Evaluation Reference Group (TERG)** (see below). This strategic information will be part of the regular monitoring and evaluation reports of the Fund's Executive Director to the Board. Based on performance reports and information, the Board may decide to conduct additional evaluation studies on specific or broader functions and issues. The Secretariat will support the implementation of such additional evaluations, as appropriate.
4. The monitoring and evaluation work of the Global Fund on the program, country and global levels is mainly focused on the performance of the Fund's grants and related processes, as relevant to demonstrate progress towards the Fund's goals and principles stated in the its *Framework Document* and according to subsequent

decisions by its Board. In addition, the Fund will monitor and evaluate the administrative functions of the Secretariat, including finance, human resources, contracting, legal, communications and resource mobilization.

5. The **Global Fund's Secretariat administrative functions** are either directly performed by the Secretariat or are overseen by the Secretariat, when an external partner supplies the services (for example, the WHO and the World Bank). Administrative evaluations will focus on how policies and regulatory standards are implemented and the efficiency and cost effectiveness of key Secretariat processes. Evaluation topics, scopes, benchmarks, schedules and sources will be included in the Secretariat's work plans.

Qualified financial auditors approved by the Board through MEFA conducts annual audits of the Global Fund's financial statements and control processes of the Secretariat, including the management of the Fund's Trust Accounts (at the World Bank and WHO). The financial statements to be audited include those for the money held in the Trust Fund (by the World Bank). The Trust Fund itself is audited annually by the auditors of the World Bank. The audit results are reviewed by MEFA and reported to the Fund's Board by the 2nd quarter of each year.

6. A number of stakeholders and partners contribute to the **performance of the Global Fund's grant portfolio**. Executing parties include the Fund's Board and Secretariat (especially the Secretariat Portfolio Team). It also includes entities with which the Fund has contractual agreements: the Technical Review Panel (TRP), the Trustee (the World Bank) and Local Fund Agents (LFAs). It furthermore includes the entities responsible for implementing grant programs. The Fund holds Principal Recipients (PRs) responsible and accountable through Grant Agreements.¹² Several other partners influence the success of programs supported by Fund grants, including CCM members, sub-recipients and their development partners. M&E frameworks and approaches need to address the diversity of stakeholders involved in achieving the overall goals of the Fund. In addition, these approaches need to serve a timely learning function to allow adjustments in the policies and procedures of the Fund to guarantee effective and efficient operations.
7. The Global Fund will establish a **Monitoring and Evaluation Operations Plan** to define the operational details of the Fund's M&E Strategy for the performance of Fund grants and related processes. The M&E Operations Plan will include:
 - Prioritization and implementation of evaluations of key performance areas for the Fund, including scope and timing of specific evaluation studies. These evaluations will generally be conducted by external evaluators.
 - Operational details for M&E at the program level, including a description of the Secretariat's review process for periodic *Disbursement Reports and Progress Updates*, *Fiscal Year Progress Reports*, and *Requests for Continued Funding*, with a focus on the methods envisioned to assess data quality, provide feedback to grantees and, most importantly, the criteria for determining the on-going funding of grants.

¹² See Section 4 in the Monitoring and Evaluation Strategy document *Program Level: Performance Based Funding*

- Guidance on the selection of indicators for grantees, with particular attention to harmonizing with on-going global initiatives.
 - Indicators for performance monitoring for the Fund as an organization. Indicators, targets and timelines will be specified for the Fund's overall performance against its goals and principles as well as for the responsibilities of its different executing parties, including the Fund's Secretariat.
8. The Global Fund's Secretariat's **Strategic Information and Measurement Unit** develops the Monitoring and Evaluation Operations Plan under **MEFA's** oversight, and manages its implementation. The Strategic Information and Measurement Unit is part of the Strategy, Evaluation and Programme Support Team, which reports directly to the Fund's Executive Director. This organization will ensure independence for the M&E work from Portfolio Management operations as well as close linkage for M&E into the strategy and programme support functions of the Fund.
9. The Monitoring and Evaluation work of the Global Fund will be supported by a **Technical Evaluation Reference Group (TERG)**. The TERG will report at least annually to the Fund's Board through MEFA on issues which it determines may require Board attention. The Board and MEFA may also direct the TERG to examine specific programmatic aspects of the Fund as appropriate. The TOR for the TERG will be approved by the Board through MEFA. The Secretariat will ensure the TERG full access to any documentation that the TERG will need for the fulfilment of its tasks.
10. The TERG will support the Global Fund Secretariat's monitoring and evaluation work by providing independent assessments and advice on technical and managerial aspects of the monitoring and evaluation work of the Fund at all levels. Specifically, the TERG will provide input and conduct regular reviews of progress towards the implementation and refinement of the M&E Operations Plan and its different components, as well as to analytical reviews as appropriate.