

Report of the Coordinating Group 49th Board Meeting

GF/B49/08

10 – 11 May 2023, Ha Noi, Viet Nam

Board Information

Purpose of the paper: This report provides a summary update on Coordinating Group activities for the period between the 48th and 49th Board Meetings (November 2022 to April 2023), an overview of decisions taken by the three committees in this period and the upcoming priorities of the three committees.

Context

1. This report provides an update to the Board on the activities of the Global Fund Coordinating Group (“CG”). The CG comprises the Chair and Vice-Chair of the Board, and the Chair and Vice-Chair of each of the committees of the Board. As identified in its Terms of Reference¹, the CG is a mechanism for coordination between the Board and its committees, to ensure effective collaboration, particularly regarding cross-cutting issues, including risk management and organizational performance, with the overall objective of enabling strategic focus across all governance bodies and to establish broad priorities.
2. Since the CG’s last report to the Board in November 2022, the CG has held six meetings so far. Two meetings in November 2022 served to finalize the preparations for the 48th Board Meeting. The CG will convene again in preparation for the 49th Board Meeting in May 2023. The Executive Director and the Head of Legal and Governance are invited to CG discussions to allow consideration of Secretariat perspectives, with other members of management invited only if needed for specific topics. The Legal and Governance Department provides meeting support. CG members exchange between meetings as needed, and there is regular interaction between the Board Leadership and the Chairs and Vice-Chairs of the committees.
3. A list of decisions adopted by the standing committees between the 48th and 49th Board Meetings (November 2022 – April 2023) is included in the Annexes. Current Board and committee work plans are available on the [Governance Portal](#), and are updated regularly. Minutes of CG calls are also made available on the [Portal](#).

Focus Areas for the Coordinating Group

4. Since November 2022, the CG has focused its attention on the following topics:
 - i. Review of the 2023 governance priorities and plans, including Board and committee meeting agendas;
 - ii. Review and alignment of committee roles and responsibilities with respect to cross-cutting matters;
 - iii. Consultation regarding the review of committee mandates; and
 - iv. The Global Fund’s proposed engagement with the Pandemic Fund.
5. **Board and committee priorities** is one of the key focus areas of the CG, with a special emphasis on the coordination of cross-cutting items. In January 2023, the CG reviewed a comprehensive update on 2023 work plans and priorities for the committees and Board, including proposed approaches to cover discussion topics requested by Board constituencies in 2022. The CG considered and was supportive of the agendas and work plans of the Board and committees which detail the upcoming priorities. It was recognized that Strategy related topics continue to be embedded across the plans and priorities. The CG remains committed to supporting effective reporting from committees to the Board on the priorities and progress made by committees, to

¹ GF/B34/EDP07 – [Terms of Reference of the Coordinating Group](#)

support the Board in its deliberations and decision making and enable the Board to provide steer without duplicating discussions at committee level.

6. **Cross-cutting matters.** The responsibility of the CG to ensure effective coordination of cross-cutting matters among the three committees was a particular focus in Q1 2023. The CG reviewed a guidance note on committee oversight of cross-cutting items and noted its value. The guidance has been shared with the Board and committees². The CG also took note of the minor adjustments made to the distribution of risks under the Organizational Risk Register³. The need to examine overall coordination of committee oversight over CCMs was highlighted and it was noted that there will be further exchange on this topic.
7. **Committee mandates.** While approving the revised committee charters in May 2022⁴, the Board requested Ethics and Governance Committee (EGC) leadership to consider whether a further review of standing committee mandates may be required during the 2022-2025 EGC term. In February 2023, the EGC leadership consulted with the CG, who opined that there are no major areas of unclarity or gaps that would necessitate a further comprehensive review of committee mandates at this juncture. Reflecting back on comments raised in May 2022 with respect to strategy implementation oversight, the CG noted progress made, noted that strategy implementation oversight is embedded across governance bodies' work plans, and underlined its confidence that the SC is able to oversee progress against strategic goals, with strategy oversight central to the role of the SC. The CG discussion recognized in particular the Board's subsequent adoption of the Monitoring and Evaluation (M&E) Framework and Key Performance Indicators (KPIs), underlining their importance to effective oversight of strategy implementation. The CG further recognized the strong collaboration between governance bodies on oversight of strategy implementation matters, as well as Secretariat responsiveness to Board requests. Separately, a discrete discussion point regarding committee oversight of CCM matters remains open, as noted in paragraph 6 above.
8. **Pandemic Fund.** The CG was updated iteratively regarding the Pandemic Fund, noting the relevance of the Global Fund's involvement in the Pandemic Fund in the context of the evolving objective on pandemic preparedness and response (PPR) in the Strategy. The CG supported the proposal to coordinate and streamline processes for countries, in line with C19RM requests, to manage level of effort for both countries and the Secretariat. CG members also shared guidance regarding the importance of processes not placing additional burden on countries, and noted the expectation that existing assurance mechanisms of the Global Fund will be sufficient. The CG discussed and supported the approach to bring a decision point on the Global Fund's engagement with the Pandemic Fund directly to the Board, with opportunity for committee input during a pre-Board briefing. This approach took into consideration discussions at the 21st SC and AFC meetings, the rapidly moving developments and Pandemic Fund timelines, and the tight timelines for Board consideration ahead of the Board meeting.

Committee Priorities

9. The key priorities and themes that the committees are currently focusing on are outlined below. Work plans for all three committees are updated regularly and shared via the [Governance Portal](#).

² [Guidance Note on Committee Cross-Cutting Areas of Work](#)

³ A minor adjustment was made to a "secondary" committee role under the ORR with no change in the lead committees for any particular risk area. A [Guidance Note on Allocation of Risks](#) across Committees is available to constituencies.

⁴ GF/B47/DP08 – [Leveraging the work of the Standing Committees](#)

- A. **Audit and Finance Committee.** After the Sources of Funds related decisions following the 7th Replenishment, the focus of the AFC has shifted to cyclical decisions and oversight items with consideration of specific decisions and policy changes, based on need, as outlined below.
- i. **Continued focus on resource mobilization**, as efforts are in progress to mobilize additional resources including to unlock additional resources from the US pledge. There will also be a lessons learned exercise that will feed into the preparations for the next replenishment.
 - ii. **Focus on risk management** as the lead committee on risk, with input from EGC and SC on risks within their respective purview.
 - In March, the AFC reviewed input from the SC on amendments to risk appetite statements under SC mandate. The AFC considered this input, alongside the timeframes for Accounting and Financial Reporting and Grant-Related Fraud and Fiduciary risk, and made a recommendation to the Board.
 - iii. **Discussions throughout the year regarding C19RM and Pandemic Fund**, focused on achieving the desired shift and impact on pandemic preparedness and strengthening systems for health. The AFC will consider synergies with grant cycle 7 (GC7), mitigation of risks associated with different funding sources, absorption levels for C19RM, overall operational oversight of this area, as well as the assurance mechanisms in place.
 - iv. **Oversight over financial management, corporate operations and OIG matters**, in addition to cyclical decisions regarding financial management and OIG budget⁵.
 - In March, the AFC discussed key human resources topics such as strategic workforce planning approach, health and wellbeing interventions, psychological safety, diversity and inclusion and a statement from the Staff Council. The AFC appreciated the proactive effort by the Secretariat to bring these topics to the committee. After the meeting, the AFC also electronically approved an administrative amendment⁶ to the Provident Fund Constitutional Declaration and Benefits Rules pursuant to the delegated authority by the Board⁷.
 - v. The AFC also discussed the Secretariat's 2023-2025 Internal Information Technology (IT) Strategy, in line with its role to oversee corporate operations matters. The Committee appreciated the achievements in the area of IT as well as the maturing of IT governance. **Discuss various aspects of health financing**, including blended financing in July and October.
 - In March, the AFC, in accordance with its delegated authority under the Amended and Restated Policy on Restricted Financial Contributions, decided to expand the scope of the Debt2Health mechanism to include tripartite debt transactions. The AFC considered the following during their decision-making process: the costs, benefits and operational aspects; the approaches to manage risks (e.g., counterparty risk, reputational risk); the benefits and potential impact on resource mobilization; the role of the Global Fund in tripartite debt transactions and the different parties involved.

The report of the discussions of the AFC at its 21st meeting can be found [here](#).

- B. **Ethics and Governance Committee.** The EGC will continue to drive forward governance strengthening activities as well as oversight of ethics related items.
- i. **Focus on oversight of the selection process** for the new Board leadership, with discussion on lessons learned in July 2023.

⁵ External Audit Plan, Annual/Interim Financial Statements and 2024 OPEX and Corporate Workplan

⁶ GF/AFC21/EDP01 - Amendments to Provident Fund Constitutional Declaration and Benefit Rules

⁷ [GF/B20/DP18](#) - Delegated Authority for the Global Fund Provident Fund

- ii. **Enhancement of governance effectiveness** with an emphasis on effective reporting, onboarding, and constituency engagement.
 - On effective reporting, at the March meeting, the EGC reviewed progress so far and discussed a comprehensive forward-looking plan. For the next strategy period, M&E, KPI and risk reporting will enable streamlined reporting and joined-up insight into key thematic areas, in support of robust sound efficient oversight. The strategic performance portal⁸ will be one of the key enablers of this new form of reporting. The CG will be engaged in the assessment of how to structure effective reporting to committees and Board for the new Strategy period.
- iii. **Governance culture** to remain a key feature, with continued engagement between Governance Officials and senior Global Fund management.
- iv. Ongoing oversight and follow up actions to manage **governance, ethics and integrity, and legal risks**, including through embedded discussion on risk across agenda items.
- v. **Ethics related topics** including the annual opinion and the long standing Agreed Management Actions.
- vi. Ethics policy reviews.
- vii. Continuing dialogue and work to expand adoption and implementation of **privileges and immunities**.

The report of the discussions of the EGC at its 21st meeting can be found [here](#).

- C. **Strategy Committee.** The SC will continue to drive forward its work in four key areas: core business processes, monitoring and performance, oversight over the advisory bodies under its purview, and discussions on thematic areas.
 - i. Focus on **thematic discussions** and **oversight of Strategy implementation**. Several thematic areas will be discussed ranging from human rights, communities and gender, climate and environment, malaria risk, Next Generation market shaping, and health financing. During the March meeting, the SC discussed some of these topics:
 - Regarding **health financing**, the SC appreciated the evolving approach to co-financing presented and the need to focus on quality of spend rather than quantity of domestic resources mobilized. The SC also appreciated the focus on better data quality. On innovative financing, the SC acknowledged the importance of mechanisms like Debt2Health, blended financing and welcomed the efforts to implement the recommendations from the OIG Advisory Report on Domestic Financing for Health⁹. There were also points raised around strong engagement on health financing discussions and the need for collaboration with partners.
 - ii. Ongoing focus on **strategic performance reporting, country funding and catalytic investments**.
 - In March, the SC received an update on bilateral set-asides. The session focused on set-asides from the 7th Replenishment pledges. The committee welcomed the transparency provided regarding this topic and noted the particular challenges around coordination of set-asides. The Secretariat and the Core Group will discuss the potential format and content to regularly update the Board regarding set-asides.
 - iii. Continued oversight over TRP and evaluation matters including the IEP. During the March meeting, the SC:

⁸ The strategic performance portal will strive provide access to governance officials to more strategic information in a well-structured and tailored (ability to obtain more granular information when needed) fashion. This will include results such as KPIs, evaluations, and high-level complementary insights.

⁹ [The Global Fund's Role and Approach to Domestic Financing for Health](#)

- Approved an exceptional limited extension of the two-year term of the current TRP Vice Chairs by one year to ensure orderly TRP leadership transition.
 - Discussed close-out of the evaluations under Technical Evaluation Reference Group, and transition to the new independent evaluation function.
- iv. **Continuing discussions on C19RM as well as the Pandemic Fund.** The SC's March discussions included a request that the Board take a formal decision regarding the Global Fund's engagement with the Pandemic Fund. Looking ahead, the SC will focus on oversight over both C19RM and engagement with the Pandemic Fund (in line with the anticipated Board decision) in the context of achieving the overarching objective on PPR.
 - v. **Supply operation matters** including next generation market shaping and review of quality assurance policy matters.

The report of the discussions of the SC at its 21st meeting can be found [here](#).

How will the Coordinating Group support Board priorities in 2023?

10. The CG will continue to support strategic focus at the Board and committees, with attention to the following:
 - i. Regular engagement to ensure that Board and committee work plans and agendas are strategically focused with effective cross-committee coordination;
 - ii. Overall focus on the implementation and oversight of **the Strategy embedded throughout agendas and work plans**;
 - iii. In the context of overall governance work planning and oversight of strategy implementation, attention to the Board and committees' role in monitoring how the Global Fund **partnership works together to achieve impact in line with the 2023-2028 Strategy goals**.
 - iv. The effective coordination of oversight and reporting under the **M&E and KPI Frameworks**, as key to enabling oversight of strategy implementation;
 - v. **Risk oversight**, including the focus on coordination of risk oversight between committees and the Board;
 - vi. The Global Fund's **engagement with the Pandemic Fund**; and
 - vii. Ongoing oversight by the Board and committees of the **Global Fund's COVID-19 response mechanism**, in accordance with the different mandates of the committees.

11. With regards to governance effectiveness, the CG will engage on:
 - i. **Governance Action Plan 2.0 Initiatives.** There will be continued focus on governance effectiveness with a particular emphasis on effective reporting. The CG will continue to engage on how results are presented to governance bodies to enable robust oversight of performance against strategic objectives; leverage the M&E and KPI Frameworks as well as risk management reporting; provide insights into key thematic areas in a joined-up manner; and streamline reporting.
 - ii. **Governance Continuity and Culture.** The CG will continue its engagement regarding the governance culture and noted the EGC's strategic role in driving this initiative. The CG will also

continue to meet regularly with senior Global Fund management to strengthen exchange and continue the dialogue on governance culture.

12. On upcoming governance processes:

- i. The CG took note that Board Leadership Nomination Committee will be making a recommendation to the Board regarding the selection of the new Board leadership. Based on Board approval, the new Board leadership will start its term from the close of the 49th Board Meeting in May 2023.
- ii. The CG will be engaged in the effective transition and onboarding of the new Board leadership from May 2023.
- iii. In line with relevant policy provisions, CG members are engaged as feedback providers in the Board Direct Report performance assessment process that is currently under way under the stewardship of the Board leadership.
- iv. The CG took note of the committee leadership assessments process under the Governance Performance Assessment Framework, which will be launched following the 49th Board Meeting.

Annexes

The following items can be found in Annex:

- Annex 1: Decisions of the Audit and Finance Committee, November 2022 – April 2023
- Annex 2: Decisions of the Ethics and Governance Committee, November 2022 – April 2023
- Annex 3: Decisions of the Strategy Committee, November 2022 – April 2023

Annex 1: Decisions of the Audit and Finance Committee, November 2022 to April 2023

Decision Points approved by the Audit and Finance Committee between the 48 th and 49 th Board Meetings	
DP Ref. No.	Title
20th AFC Additional Meeting, 9 November 2022¹⁰	
GF/AFC20A/DP01	Recommendation on the Sources of Funds for the 2023–2025 Allocation Period
GF/AFC20A/DP02	Recommendation on the 2023 Work Plan and Budget Narrative and 2023 Operating Expenses Budget
GF/AFC20A/DP03	Operating Expenses Forecast for the 2023-2025 Allocation Period
21st AFC Meeting, 15-16, 30 March 2023	
GF/AFC21/DP01	Amended Risk Appetite Statements
GF/AFC21/DP02	Acceptance by the Audit and Finance Committee of Documents and Responses Relating to the 2022 Annual Financial Statements and 2022 Statutory Financial Statements
GF/AFC21/DP03	Debt2Health: Expanded Scope
GF/AFC21/EDP01	Amendments to Provident Fund Constitutional Declaration and Benefits Rules
GF/AFC21/EDP02	2023-2028 KPI Framework adjustments

¹⁰ The decision points adopted at the 20th AFC Additional Meeting preceded the 48th Board Meeting but are included for completeness, noting that they were adopted following the Coordinating Group's Report to the 48th Board Meeting and therefore not reported at that time.

20th Audit and Finance Committee Additional Meeting Decision Points

Decision Point: GF/AFC20A/DP01: Recommendation on the Sources of Funds for the 2023–2025 Allocation Period

1. The Audit and Finance Committee (the “AFC”) recalls its responsibility to recommend to the Board available amounts of sources of funds and to ensure forecasted uses of funds do not exceed sources of funds over an allocation period, in accordance with the Comprehensive Funding Policy set forth in Annex 1 to GF/B36/02 – Revision 1 and approved through decision point GF/B36/DP04.
2. Based on its review and discussion of the Secretariat’s analysis of the sources of funds for the 2023- 2025 allocation period presented in GF/AFC20/03A, the AFC:
 - i. acknowledges that the Global Fund is mobilizing additional donor pledges, which shall become part of the announced replenishment results for the Seventh Replenishment;
 - ii. makes a provisional recommendation that the Board approve US\$ 12.439 billion of available sources of funds for allocation for the 2023-2025 allocation period, conditional upon the recognition of sufficient additional funds, net of adjustments, prior to presentation of the AFC’s recommendation to the Board; and
 - iii. instructs the Secretariat to update its analysis of sources of funds, and the corresponding amounts available for allocation to uses of funds, as may be necessary to reflect the actual amount of additional funds, net of adjustments, recognized prior to presentation of the AFC’s recommendation to the Board.
3. Subject to the above, the AFC recommends the provisions on sources of funds and the additional amount to be added to determine country allocations in anticipation of there being forecasted unutilized funds on an aggregate portfolio bases during the 2023-2025 allocation period, contained in the following decision point, to the Board for approval at its Forty-Eighth meeting in November 2022:

Decision Point: GF/B48/DPXX: Sources and Uses of Funds for the 2023–2025 Allocation Period

1. Based on the recommendation of the Audit and Finance Committee (the “AFC”), as presented in GF/B48/XX, the Board approves US\$ 12.439 billion as sources of funds for allocation for the 2023- 2025 allocation period. The total amount of sources of funds for allocation comprises, in accordance with the Comprehensive Funding Policy set forth in Annex 1 to GF/B36/02 – Revision 1 and approved through decision point GF/B36/DP04: i. US\$ 13.184 billion, derived from the announced replenishment results for the Seventh Replenishment, net of adjustments;
 - iii. US\$ 0.250 billion of forecasted unutilized funds from the 2020-2022 allocation period; and
 - iv. a deduction of US\$ 0.995 billion of forecasted aggregate operating expenses for the 2023-2025 allocation period
2. Based on the recommendation of the Strategy Committee, as presented in GF/B48/XX, the Board approves the use of an additional US\$ 0.100 billion for catalytic investments for the 2023-

2025 allocation period, bringing the total amount, from sources of funds for allocation, for catalytic investments for the 2023-2025 allocation period to US\$ 0.300 billion, to be made available for the priorities and associated costs set forth in Annex X of GF/B48/XX.

3. Additionally, based on the recommendation of the AFC and to help ensure the maximum amount of impact and use of funds over the 2023-2025 allocation period, the Board requests that the Secretariat include an additional US\$ 0.607 billion in the amount used to determine country allocations pursuant to the allocation methodology for the 2023-2025 allocation period in accordance with decision point GF/B47/DP05 (the “Allocation Methodology”).
4. Accordingly, the Board approves that the amount of sources of funds for country allocations for the 2023-2025 allocation period is US\$ 12.139 billion, to which US\$ US\$ 0.607 billion will be added prior to determining the country allocation, for a total of US\$ 12.746 billion, to be used in accordance with the Allocation Methodology and decision point GF/B47/DP05.

Decision Point GF/AFC20A/DP02: Recommendation on the 2023 Work Plan and Budget Narrative and 2023 Operating Expenses Budget

1. The Audit and Finance Committee (AFC):
 - a. acknowledges its review and discussion of the 2023 Work Plan and Budget Narrative as set forth in GF/AFC20A/02A and decides to recommend it to the Board for approval at its Forty-Eighth meeting in November 2022;
 - b. decides to recommend the 2023 Operating Expenses Budget in the amount of US\$ 335.4 million, as set forth in GF/AFC20A/02A to the Board for approval at its Forty-Eighth meeting in November 2022, comprising:
 - PART A Secretariat Operating Expenses of US\$ 265.7 million; and
 - PART B In-Country and Independent Bodies of US\$ 69.7 million; and
 - c. notes its approval of including the Office of the Inspector General’s 2023 budget in the amount of US\$ 16.5 million, in the 2023 Secretariat Operating Expenses (GF/AFC20A/02A); and
2. Accordingly, the AFC recommends the following decision point to the Board for approval at its Forty- Eighth meeting in November 2022:

Decision Point: GF/B48/DPXX: 2023 Work Plan and Budget Narrative and the 2023 Operating Expenses Budget

Based on the recommendation of the Audit and Finance Committee (AFC), the Board approves the following:

- a. the 2023 Work Plan and Budget Narrative, as set forth in GF/B48/XX; and
- b. the 2023 Operating Expenses Budget in the amount of US\$ 335.4 million (comprising (i) PART A Secretariat Operating Expenses of US\$ 265.7 million, which includes US\$ 16.5 million for

the Office of the Inspector General's 2023 Operating Expenses; and (ii) PART B In-Country and Independent Bodies of US\$ 69.7 million), as set forth in GF/B48/XX.

21st Audit and Finance Committee Meeting Decision Points

Decision Point: GF/AFC21/DP01: Amended Risk Appetite Statements

1. The Audit and Finance Committee (the AFC):
 - i. acknowledges the analysis of external risk factors and recommendations presented in Annex 1 to GF/AFC21/06;
 - ii. notes the Strategy Committee's concurrence with the amended Risk Appetite Statements for the risks under such committee's oversight, as reported to the AFC; and
 - iii. integrates the Strategy Committee's concurrence into the AFC's overall recommendation on the amended Risk Appetite Statements, including the risks under the AFC's oversight, as set forth in the table in Annex 1 to GF/AFC21/06.
2. Accordingly, the AFC recommends the following decision point to the Board for approval at its forty-ninth meeting in May 2023:

Board Decision Point: GF/B49/DPXX: Amended Risk Appetite Statements

1. The Board:
 - i. recalls its ultimate responsibility to the Global Fund's stakeholders for overseeing the implementation of effective risk management;
 - ii. affirms the Strategy Committee's concurrence with the amended Risk Appetite Statements under such committee's oversight, as reported to the Audit and Finance Committee; and
 - iii. further affirms the Audit and Finance Committee's concurrence with the amended Risk Appetite Statements under such committee's oversight and integration of the Strategy Committee's concurrence, as set forth in Annex 1 to GF/AFC21/06 and pursuant to decision point GF/AFC21/DP01.
2. Based upon the recommendation of the Audit and Finance Committee, the Board approves the amended Risk Appetite Statements, including risk appetite and timeframes to achieve target risk, as set forth in the table in Annex X to GF/B49/XX, acknowledging that the target risk level for each risk shall become the revised risk appetite at the target due date, or when earlier achieved. 3. This decision point and the amended Risk Appetite Statements approved by it shall supersede decision point GF/B46/DP05 (November 2021).

Budgetary implications (included in OPEX budget)

Decision Point: GF/AFC21/DP02: Acceptance by the Audit and Finance Committee of Documents and Responses Relating to the 2022 Annual Financial Statements and 2022 Statutory Financial Statements

1. Based on its review and discussion, the Audit and Finance Committee (the AFC) accepts:
 - i. the final version of the 2022 Annual Financial Statements, which have been prepared by the Secretariat and audited by KPMG SA, and are included in the 2022 annual financial report as set forth in Annex 1 to GF/AFC21/11A;
 - ii. the final version of the 2022 Statutory Financial Statements, which have been prepared by the Secretariat and audited by KPMG SA, as set forth in Annex 2 to GF/AFC21/11A;
 - iii. the unqualified audit opinions on both the 2022 Annual Financial Statements and the 2022 Statutory Financial Statements, which have been prepared by KPMG SA, and the related conclusions and statements of KPMG SA; and
 - iv. comments and responses by the Secretariat and KPMG SA to the questions and topics of discussion during the AFC's deliberations.
2. Accordingly, the AFC recommends the following decision points to the Board for its approval in April 2023:

Decision Point: GF/B48/EDPXX: 2022 Annual Financial Report

The Board authorizes the issuance of, and therefore approves, the Global Fund's 2022 Annual Financial Report, including the 2022 Annual Financial Statements which have been audited by KPMG SA, as set forth in Annex 1 to GF/B48/ERXX.

Decision Point: GF/B48/EDPXX: 2022 Statutory Financial Statements

The Board authorizes the issuance of, and therefore approves, the Global Fund's 2022 Statutory Financial Statements, which have been audited by KPMG SA, as set forth in Annex 2 to GF/B48/ERXX.

Budgetary implications (included in OPEX budget)

Decision Point: GF/AFC21/DP03: Debt2Health: Expanded Scope

1. The Audit and Finance Committee (AFC):

- i. recalls the approval of Debt2Health pursuant to Board decision points GF/B15/DP31 (April 2007), GF/B17/DP13 (April 2008) and GF/B20/DP17 (November 2009) and the acknowledgement of Debt2Health as an approved public mechanism pursuant to the Amended and Restated Policy on Restricted Financial Contributions, pursuant to Board decision point GF/B41/DP05 (May 2019);
 - ii. recalls the importance of Debt2Health as an element of the Innovative Finance structured approach reviewed and endorsed by the AFC as set forth in GF/AFC08/04 and presented to the Board in GF/B40/18; and
 - iii. affirms the need to catalyze domestic resource mobilization for health to meet the urgent health needs for SDG 3.
2. Based on its review and discussion, the Audit and Finance Committee, in accordance with its delegated authority under the Amended and Restated Policy on Restricted Financial Contributions, approves the expanded scope of Debt2Health, as presented in paragraph 5 of GF/AFC21/07, as a public mechanism pursuant to such policy.

Budgetary implications (included in OPEX budget)

Decision Point: GF/AFC21/EDP01: Amendments to Provident Fund Constitutional Declaration and Benefits Rules

1. Under the authority delegated by the Board pursuant to decision point GF/B20/DP18 (November 2009), the Audit and Finance Committee (“AFC”) has reviewed and discussed the administrative amendments providing for flexibility regarding the benefits provided by the Provident Fund of the Global Fund to Fight AIDS, Tuberculosis and Malaria (“Provident Fund”).
2. Accordingly, the Audit and Finance Committee approves amendments to the Provident Fund Constitutional Declaration and Benefits Rules, as set forth in Annex 2 to GF/AFC21/ER01.

Budgetary implications (included in OPEX budget) There is no estimated cost arising from the amendments to the Constitutional Declaration and Benefit Rules to either the Provident Fund or the Global Fund.

Decision Point: GF/AFC21/EDP02: 2023-2028 KPI Framework adjustments

The Audit and Finance Committee (“AFC”) recommends the following part (iii) of the decision point to the Board for approval at its 49th meeting in May 2023:

Decision point: GF/B49/DPXX: 2023-2028 KPI Framework adjustments

The Board notes the recommendations of the Audit and Finance Committee (“AFC”) as set forth in GF/AFC21/EDP02, and the Strategy Committee (“SC”) as set forth in GF/SC21/DPXX, and:

- i. Approves the adjustments to the 2023-2028 Key Performance Indicator (“KPI”) Framework (including each KPI) as set forth in GF/B49/XX Annex X;
- ii. Notes that proposed material changes to a KPI (refer to GF/B49/XX Annex X for the approach to assessing materiality) will continue to be recommended by the AFC or SC, within their respective allocated responsibilities (each a “Relevant Committee”) (as set forth in Annex 2 section 2.2 of GF/AFC20/09 and Annex 2 section 2.1 of GF/SC20/05 revision 2), for Board approval; and
- iii. Delegates authority to the Secretariat, in consultation with the Relevant Committee Chair and Vice Chair, to make non-material KPI adjustments, in line with GF/B49/XX Annex X, and report back to the Relevant Committees and Board on all such changes.

This decision has no budgetary implications.

Annex 2: Decisions of the Ethics and Governance Committee, November 2022 to April 2023

Decision Points approved by the Ethics and Governance Committee between the 48th and 49th Board Meetings	
DP Ref. No.	Title
20th EGC Meeting, 10-11 October and 7-8 November 2022	
GF/EGC20/DP04	Approval of the 2023 Ethics Function Work Plan and Associated Operating Expenses Budget

20th Ethics and Governance Committee Meeting Decision Points

Decision Point: GF/EGC20/DP04: Approval of the 2023 Ethics Function Work Plan and Associated Operating Expenses Budget

Based upon its review and discussion, the Ethics and Governance Committee (the “EGC”):

1. approves the 2023 work plan for the Ethics function, as presented in GF/EGC20/04B Rev 2(“the 2023 Ethics Work Plan”); and

2. accordingly recommends the total amount of USD 5,313,690 for inclusion in the Global Fund's overall 2023 operating expenses budget that will be presented to the Board for approval at its November 2022 meeting.

Budgetary implications (included in, or additional to, OpEx budget)

This recommendation is based on, and assumes approval of, the provisional amount of US\$ 335,400,000- recommended by the Secretariat to the AFC for the operating expense budget for 2023.

Annex 3: Decisions of the Strategy Committee, November 2022 to April 2023

Decision Points approved by the Strategy Committee between the 48th and 49th Board Meetings	
DP Ref. No.	Title
20th SC Additional Meeting, 7 November 2022¹¹	
GF/SC20A/DP01	Extension of the COVID 19 Response Mechanism (C19RM)
GF/SC20A/DP02	Supplemental Recommendation on Catalytic Investments for the 2023-2025 Allocation Period
GF/SC20A/DP03	2023 work plan and budget for the Independent Evaluation Function
GF/SC20A/DP04	2023 Technical Review Panel Workplan and Budget
GF/SC20/DP04	Exception to Maximum Shares for the 2023-2025 Allocation Period
GF/SC20/EDP01	Appointment of New Technical Review Panel Members
21st SC Meeting, 13-14 March 2023	
GF/SC21/EDP01	Extension of Technical Review Panel (TRP) Vice-Chairs' term until 30 April 2024
21st SC Additional Meeting, 17 April 2023	
GF/SC21A/DP01	2023-2028 KPI framework adjustments

¹¹ The decision points adopted at the 20th SC Additional Meeting preceded the 48th Board Meeting but are included for completeness, noting that they were adopted following the Coordinating Group's Report to the 48th Board Meeting and therefore not reported at that time.

20th Strategy Committee Additional Meeting Decision Points

Decision Point: GF/SC20A/DP01: Extension of the COVID-19 Response Mechanism (C19RM)

Based on its review of the Secretariat's analysis and recommendation as presented in GF/SC20A/06-Rev1, the Strategy Committee recommends the following decision point to the Board for approval:

Decision Point: GF/BXX/EDPXX: Extension of the COVID-19 Response Mechanism (C19RM)

1. The Board acknowledges that C19RM was established to support (i) COVID-19 control and containment interventions, (ii) COVID-19 risk-related mitigation measures for programs to fight HTM, and (iii) expanded reinforcement of key aspects of health systems, and recognizes that C19RM requests and awards through the end of 2021 largely focused on the acute response to the COVID-19 pandemic;
2. The Board acknowledges that the pandemic is evolving, and that recipient priorities are correspondingly shifting towards longer-term investments in health systems' infrastructure and capacities for pandemic preparedness and response;
3. To facilitate careful planning of such investments, including alignment with potential funding requests for the Seventh Replenishment grant cycle, the Board approves that C19RM funds may be awarded through 30 June 2023, with opportunity for subsequent C19RM portfolio optimization awards;
4. To enable maximization of impact from investments in resilient and sustainable systems for health, the Board approves that any C19RM funds may be implemented through 31 December 2025 and will finance interventions across the Sixth and Seventh Replenishment periods –acknowledging that the Secretariat will continue to ensure rapid deployment of funds and quality implementation notwithstanding this deadline;
5. The Board approves that C19RM funding requests will continue to be developed through appropriate, multi-sectoral consultation and full-inclusive decision-making, which must engage communities and civil society, and which must ensure coordination with the national COVID-19 response coordinating body or provide other evidence of alignment with the national approach to COVID-19 response in the absence of such a coordinating body;
6. The Board approves that the Secretariat may use up to 4.5% of C19RM funds, representing an increase from the prior ceiling of 3%, to cover additional management and operating costs related to extension of C19RM; and
7. The Board agrees that all other parameters of C19RM under GF/B46/EDP06 remain unchanged.

Budgetary implications (included in, or additional to, OPEX budget): Incremental management and operating costs directly attributable to C19RM will be covered by up to 4.5% of any funds made available for C19RM.

Decision Point: GF/SC20A/DP02: Supplemental Recommendation on Catalytic Investments for the 2023-2025 Allocation Period

1. The Strategy Committee recalls that, pursuant to GF/B47/DP06, the total amount of funding for catalytic investments in the 2023-2025 allocation period will be determined by the total amount of sources of funds for allocation for the 2023-2025 allocation period as decided by the Board at its Forty-Eighth Meeting in November 2022, based on the recommendation of the Audit and Finance Committee following announced replenishment results from the Seventh Replenishment, and as set forth in Table 1 of GF/B47/DP06;
2. In consideration of the anticipated total amount of sources of funds for allocation for the 2023-2025 allocation period, its impact on the total amount of funding for catalytic investments in such period, and based on its review and discussion of the Secretariat's supplemental recommendations relating to catalytic investments for such period, the Strategy Committee has decided to recommend the use of additional funding for catalytic investments for the 2023-2025 allocation period;
3. The Strategy Committee endorses the updated catalytic investments scenario for when sources of funds for allocation are between US\$12-13 billion as set forth in Table 1 of GF/SC20A/DP02 and recommends the following decision point to the Board for approval at its 48th meeting in November 2022:

GF/B48/DPXX: Catalytic Investments for the 2023-2025 Allocation Period

Based on the recommendation of the Strategy Committee, as presented in GF/B48/XX, the Board approves the use of an additional US\$0.1 billion for catalytic investments for the 2023-2025 allocation period, bringing the total amount, from sources of funds for allocation, for catalytic investments for the 2023-2025 allocation period to US\$ 0.3 billion, to be made available for the priorities and associated costs set forth in Annex X of GF/B48/X.

Budgetary Implications: Associated management costs for catalytic investments will be covered by catalytic investments and/or operating expenses as applicable.

Decision Point: GF/SC20A/DP03: 2023 work plan and budget for the Independent Evaluation Function

1. The Strategy Committee (SC), based on the advice of the Independent Evaluation Panel, approves the Annual Work Plan of the Independent Evaluation Unit for 2023 (Work Plan), as presented in GF/SC20A/04, subject to the approval by the Board of the topics for the Multi-Year Evaluation Calendar recommended for approval through GF/SC20/DP01.
2. The SC acknowledges the cost of implementation of the Work Plan of US\$ 4.2 million. The SC recommends to the Audit and Finance Committee (AFC) the inclusion of the 2023 Evaluation Budget, in the amount of US\$ 3,113,256, in the 2023 Operating Expenses Budget of the Global Fund to be recommended by the AFC to the Board for approval at its 48th Board meeting in November 2022.

3. To allow for full implementation of the Work Plan, elements of the 2023 Evaluation Budget not funded through the Operating Expenses Budget will be funded from the balance at the end of 2022, projected to be US\$ 1.1 million, of the amount of US\$ 5.5 million approved by the SC (GF/SC14/EDP01) from the funds set aside for the TERG/Independent Evaluation Strategic Initiative (GF/B41/DP04).

Budgetary implications (included in OPEX budget): US\$ 3,113,256 recommended for inclusion in the 2023 OPEX.

This recommendation is based on, and assumes approval of, the provisional amount of US\$ 335,000,000 recommended by the Secretariat to the AFC for the operating expense budget for 2023.

Decision Point: GF/SC20A/DP04: 2023 Technical Review Panel Workplan and Budget

The Strategy Committee approves the 2023 Technical Review Panel (TRP) workplan and recommends to the Audit and Finance Committee (AFC) the inclusion of the 2023 TRP budget, in the amount of US\$ 4,387,415, in the 2023 Operating Expenses Budget of the Global Fund to be recommended by the AFC to the Board for approval at its 48th Board meeting in November 2022.

Budgetary implications (included in OPEX budget) US\$ 4,387,415 is included in OPEX.

This recommendation is based on, and assumes approval of, the provisional amount of US\$ 335,000,000 recommended by the Secretariat to the AFC for the operating expense budget for 2023.

Decision Point: GF/SC20/DP04: Exception to Maximum Shares for the 2023-2025 Allocation Period

1. The Strategy Committee (the “SC”) notes that:
 - a. The technical parameters for the 2023 – 2025 allocation period, which the SC approved in March 2022 (GF/SC18/DP05) under authority delegated by the Board, set maximum shares for allocation at 10-percent funding at a disease level (the “Maximum Disease Share”) and 7.5-percent funding at a country level; and
 - b. Under the qualitative adjustment process approved by the SC in July 2022 (GF/SC19/DP05), the Maximum Disease Share would be maintained throughout the process unless otherwise authorized by the SC.
2. Based on the Secretariat’s recommendation, as presented in GF/SC20/ER02, the SC decides to authorize one country’s tuberculosis component to exceed the Maximum Disease Share as part of the qualitative adjustment process for the 2023 – 2025 allocation period.

Budgetary implications: none

Decision Point: GF/SC20/EDP01: Appointment of New Technical Review Panel Members

The Strategy Committee (“SC”), based on the recommendation of the Strategy Committee Working Group on Technical Review Panel (the “TRP”) Matters:

1. Approves appointment of the individuals presented in Annex 1 as new TRP Members; and
2. Acknowledges that the individuals listed in Annex 2 may be appointed as TRP Members should vacancies or other appointment needs arise prior to the next TRP membership recruitment process.

Budgetary implications not applicable.

21st Strategy Committee Meeting Decision Points

Decision Point: GF/SC21/EDP01: Extension of Technical Review Panel (TRP) Vice-Chairs’ term until 30 April 2024

1. Approves a limited extension of the two-year term of the current TRP Vice-Chairs until 30 April 2024 to ensure orderly Leadership transition; and
2. Notes that the approved term extensions are only with respect to the current TRP Vice-Chairs. All subsequent TRP Leadership terms shall remain consistent with the TRP Terms of Reference, unless otherwise approved by the SC. This decision has no budgetary implications

21st Strategy Committee Additional Meeting Decision Points

Decision Point: GF/SC21A/DP01: 2023-2028 KPI framework adjustments

The Strategy Committee (“SC”) recommends the following parts (i) and (iii) of the decision point to the Board for approval at its 49th meeting in May 2023:

Decision point: GF/B49/DPXX: 2023-2028 KPI Framework adjustments

The Board notes the recommendations of the Audit and Finance Committee (“AFC”) as set forth in GF/AFC21/EDP02, and the Strategy Committee (“SC”) as set forth in GF/SC21A/DP01, and

- i. Approves the adjustments to the 2023-2028 Key Performance Indicator (“KPI”) Framework (including each KPI) as set forth in GF/B49/XX Annex X;

- ii. Notes that proposed material changes to a KPI (refer to GF/B49/XX Annex X for the approach to assessing materiality) will continue to be recommended by the AFC or SC, within their respective allocated responsibilities (each a “Relevant Committee”) (as set forth in Annex 2 section 2.2 of GF/AFC20/09 and Annex 2 section 2.1 of GF/SC20/05 revision 2), for Board approval; and
- iii. Delegates authority to the Secretariat, in consultation with the Relevant Committee Chair and Vice Chair, to make non-material KPI adjustments, in line with GF/B49/XX Annex X, and report back to the Relevant Committees and Board on all such changes.

This decision has no budgetary implications.