

# **Report of the Coordinating Group**

## **50<sup>th</sup> Board Meeting**

GF/B50/14

14-16 November 2023, Geneva, Switzerland

### **Board Information**

Purpose of the paper: This report provides a summary update on Coordinating Group activities for the period between the 49<sup>th</sup> and 50<sup>th</sup> Board Meetings (May 2023 to October 2023), and an overview of decisions taken by the three committees in this period.

## Context

1. This report provides an update on the activities of the Global Fund Coordinating Group (“CG”). The CG comprises the Chair and Vice-Chair of the Board and each of the committees. As identified in its Terms of Reference,<sup>1</sup> the CG is a mechanism for coordination between the Board and its committees, particularly regarding cross-cutting issues. The overall objective of the CG is to enable strategic focus across all governance bodies and to establish broad priorities.
2. Since the CG’s last report to the Board in May 2023, the CG held four meetings<sup>2</sup> and will convene in November to prepare for the 50<sup>th</sup> Board Meeting. On 7 July 2023, a mini-retreat was held with CG and the Management Executive Committee (MEC)<sup>3</sup> and Inspector General of the Global Fund.
3. Composition of the CG has changed since the last report, following the Board Leadership transition at the close of the 49<sup>th</sup> Board Meeting in May 2023. The CG extends its gratitude and appreciation to Dr Donald Kaberuka and Lady Roslyn Morauta for their leadership of the CG from 2019-2023 and welcomes Lady Roslyn Morauta and Adv. Bience Gawanas as Chair and Vice-Chair of the Board respectively.
4. A list of **decisions adopted by the standing Committees** between the 49<sup>th</sup> and 50<sup>th</sup> Board Meetings (April 2023 – October 2023) is included in Annex. Current **Board and committee work plans** will be made available on the Governance Portal.<sup>4</sup> **Minutes of CG meetings** are also made available on the Portal.<sup>5</sup>

## Focus areas for the Coordinating Group

5. CG activity since May 2023 has focused on the following:
  - a. Review of 2023 governance priorities and plans, including Board and committee meeting agendas and regular review of work plans.
  - b. Continued focus on cross cutting matters and their coordination between committees.
  - c. Discussion regarding the CCM Working Group, and oversight responsibilities over CCMs between the Ethics and Governance (EGC) and the Strategy Committee (SC).
  - d. Supporting the Board Leadership transition and onboarding, including providing input to the Board Leadership priorities for this term via discussion at the CG-MEC retreat.
  - e. Engagement in a CG-MEC retreat held in July 2023.
  - f. Planning and preparation for the Board mini retreat scheduled to be held in November 2023.
  - g. Discussion on strengthening Global Fund Board representation.
  - h. Receipt of regular reporting on committee self-assessment outcomes and trends.

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<sup>1</sup> [Terms of Reference of the Coordinating Group](#)

<sup>2</sup> In terms of regular attendees for CG meetings, the Executive Director (ED) 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 communicate between meetings as needed, and there is regular interaction between the Board Leadership and the Chairs and Vice-Chairs of the Committees. One meeting in May 2023 served to finalize preparations for the Board meeting.

<sup>3</sup> Senior Management at the Global Fund Secretariat

6. **Board and committee priorities, including attention to the effective management of cross-cutting matters**, remains a key area of focus for the CG. Guidance was provided by the CG regarding the preparation of the 22<sup>nd</sup> and 23<sup>rd</sup> committee meeting agendas and the 50<sup>th</sup> Board meeting agenda, as well as the approach to intersessional Board calls on topics including human rights and malaria. The CG carefully reviewed the new approach to the Board agenda, which aims at ensuring a coherent, big picture approach, supporting joined-up strategic discussion and take stock as preparations progress for Grant Cycle 7 (“GC7”). The agenda includes space for holistic discussions on HIV, TB and malaria (HTM), and discussion on the mutually reinforcing contributory and evolving objectives of the Strategy, including themes such as Resilient and Sustainable Health Systems (RSSH) alongside cross cutting topics like Communities, Rights and Gender, and co-financing. Support was expressed for taking a new approach to the Board meeting agenda, which is in line with Board calls for more strategic thinking and thematic discussions.
7. **Cross-cutting topics**. The CG acknowledged the renewed focus on CCMs, with a need to understand the issues, the CCM Evolution workstream and progress made, and expected future outcomes. The CCM Working Group convened twice, and CG received a read out from the two calls. Following the work of the CCM Working Group, the CG will be engaged in discussing next steps, and will continue to discuss appropriate distribution of oversight responsibility between the SC and the EGC, in line with committee mandates. The CG also discussed other cross cutting areas including (ii) coordination on the discussion of co-financing and domestic health financing at the SC and Audit and Finance Committee (AFC), respectively (ii) key performance indicators (KPI); (iii) Risk; (iv) COVID-19 Response Mechanism (C19RM), Pandemic Preparedness and Response (PPR) and the Pandemic Fund; and (v) coordination of the work plans of the Office of the Inspector General (OIG) and the evaluation function.
8. **CG-MEC retreat**. The CG, MEC and Inspector General convened in July 2023 for a retreat, providing an opportunity for engagement among the senior leadership of the Global Fund, in the context of the new Board Leadership term. The engagement provided space for strategic reflection on the challenges faced by the Global Fund in the current and future global health context, drove reflection on the role of the governance bodies in support of successful implementation of the Strategy, and provided an opportunity to support the Board Chair and Vice-Chair as they reflected on priorities for their term.<sup>6</sup> In addition, the discussions enabled initial reflection on themes for upcoming Board retreat(s). More broadly, the session formed part of the culture initiative, with the engagement between governance, Secretariat and OIG leaders supporting efforts to strengthen a culture of trust, accountability and collaboration, founded on a sense of collective responsibility in support of the Global Fund mission.
9. Discussions covered broad reflections on the **landscape** in which the Global Fund operates, including (1) recognition of the increasingly volatile and risky external environment, and multitude of challenges facing the Global Fund; (2) reflection on the Global Fund’s strengths, from the organization’s country-based partnership model and results to its governance and robust assurance mechanisms; and (3) opportunities ahead. Reflections on **governance** were framed in the context of the Board’s role as an enabler of the Strategy, with key themes including (1) the importance of robust discussion of challenges and meaningful consideration of priorities and trade-

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<sup>6</sup> The Board Leadership laid out their priorities for the term in a letter to the Board, dated 14 September 2023.

offs in support of delivering on the mission in a challenging context; (2) how to leverage each governance forum to drive strategic discussion and engagement; (3) the importance of effective representation at both Board and committees, noting global conversations regarding balancing the voices of the Global North and South and considerations relating to representation for Africa; and (4) governance effectiveness themes including constituency engagement and effectiveness, culture, managing conflict of interest, and effective use of data in support of information-sharing, among others. It was noted that many of the themes would be picked up within EGC workstreams, including the 2023-2024 Governance Performance Assessment, via the placeholder in the Governance Action Plan 2.0 to reflect on Board representation, as well as through ongoing work on culture and constituency engagement. Last, the CG recognized the importance of making space for leadership exchange and expressed an intent to continue to convene with MEC on a regular basis.

10. **The CG also discussed the direction and themes of the Board mini retreat in November.** The CG observed that the mini retreat will be critical for strategic and forward-looking discussion, having taken stock at the Board meeting. It will aid in planning future Board deliberations to support the strategic positioning of the Global Fund over the next two years. The CG also reflected on the benefits of strategic discussion on challenges, as well as questions of governance effectiveness, in an informal setting. It was also noted that the mini retreat will be an opportunity for the Board Leadership to continue to affirm the priorities for their term. The mini retreat will lay the ground for the 2024 Board Retreat (scheduled for April 2024).
11. **Strengthening Board Representation.** The CG had an opportunity to discuss the approach to strengthen Global Fund Board representation. This topic was presented to the 23<sup>rd</sup> EGC meeting in line with the Governance Action Plan 2.0 placeholder to monitor the effectiveness of the structure of the Global Fund Board, post-2022, the planned review of the effectiveness of the Additional Public Donors transitional non-voting seat, and broader EGC attention to governance effectiveness themes including inclusion, representation, and constituency effectiveness. Following briefing on the global context and changing landscape in which this work is placed, the CG shared reflections on the themes of representation and governance effectiveness, inclusion and voice, and constituency effectiveness. The CG noted that the discussions on this topic will be taken up at the EGC and during the Board mini retreat.

## Committee Priorities

12. The key themes and priorities that are in focus for the three committees are outlined below.
13. **Audit and Finance Committee.** The AFC is focused on oversight of key areas under its mandate as well as consideration of relevant decisions.
  - i. In the times of increasing external risks and volatility in the operating environment, the **AFC continues its oversight over the holistic risk management portfolio of the Global Fund.** This is informed by the SC and the EGC on risks within their purview.
    - In October, the AFC recommended to the Board an adjustment to the risk appetite statement. The *Malaria Program Quality* risk timeframes are being recommended for adjustment as this risk is assessed to be at the cusp of going from “High” to “Very High”. This followed discussion and input from SC.

- The AFC remained focused on critical areas of risk management methodology, including understanding how the risk management model functions at grant level. To this effect, two pre-calls were organized to support enhanced awareness of the risk management model.
- ii. **Resource Mobilization and planning for 8<sup>th</sup> Replenishment.** The efforts on unlocking additional pledges, signing of contribution agreements and conversion of pledges continue. Initial preparations are underway for the 8<sup>th</sup> Replenishment. The AFC in October discussed the key lessons learned from the 7<sup>th</sup> Replenishment and received a read-out from SC Leadership on the SC's discussion on co-financing given the link to resource mobilization and the domestic health financing risk.
  - iii. **C19RM and Pandemic Fund.** Discussions, particularly around in-country absorption, are ongoing as the process of reinvestment of C19RM funds is underway. On the engagement with the Pandemic Fund through a pilot, the AFC commented that clarity is required on the operational details from the Pandemic Fund, to decide on the clear way forward.
  - iv. **Innovative Financing.** The Committee continues to engage in oversight of innovative financing efforts, which are key to catalyzing additional financing and/or influencing existing partner financing to support HTM, and RSSH interventions. In July, the AFC received an initial proposal on a fit for purpose approach to developing, reviewing and approving blended finance transactions, including modified processes (including assurance) and approaches aligned with partners. In October, the AFC considered the various implications of this approach and recommended it to the Board.
  - v. **Financial management, corporate operations, audit matters and OIG matters,** are part of the regular oversight of the AFC.
    - In July, the AFC approved an adjustment to the Human Resources Policy Framework, with changes to the salary scales for A and B grade staff members. In October, the AFC was provided updates on the People and Organization Ambition, with emphasis on topics such as a workforce planning and staff health and wellbeing.
    - In relation to audit, the AFC approved the 2023 external audit plan, while in September, the AFC adjusted the fees of the external auditor for additional audit services and approved the 2023 interim financial report and statements.
    - At AFC meetings in July and October, the AFC discussed in detail the financial performance of the organization. The two meetings also extensively covered the progress of the work of the OIG under the 2023 work plan and the emerging key themes.
    - At the October AFC meeting, the AFC recommended the 2024 operating expenses (OPEX) budget and corporate work plan to the Board. The 2024 OIG budget was also decided and incorporated into the overall OPEX budget.
  - vi. As a broad reflection, the AFC remains alert to the pressures on the organization to deliver against an ambitious Strategy in the context of a resource-constrained environment, and encourages attention to meaningful consideration of priorities and trade-offs including at Board and committee level.
14. **Ethics and Governance Committee.** The EGC will continue to drive forward governance strengthening activities as well as oversight of ethics-related items. Key focus at present is on the following:
- i. Advancing the deliberations on **strengthening Global Fund Board representation**, the initial discussion of which took place at the October meeting.

- ii. Oversight over the **Governance Action Plan 2.0** as well as governance related risks.
  - iii. Focus on **governance performance assessments** which are due to take place in 2023-2024. This includes the overarching governance performance assessment and individual performance assessments of Committee Leadership (2023) and Board Leadership (2024).
    - In the October meeting, the EGC was requested to input on the focus areas for the 2023-2024 overarching assessment.
    - Separately, at policy level, the EGC is working on establishing an approach for the performance assessment of advisory bodies and specifically the Independent Evaluation Panel, under the existing Governance Performance Assessment Framework and with input from the SC.
  - iv. Continuing the conversation on a **culture of trust, collaboration and accountability** as well as **constituency funding**.
  - v. **Oversight of key selection processes**, including the selection process for the new Ethics Officer (update provided during July and October meetings). In July, the EGC discussed the lessons learned from the Board Leadership selection process. Given multiple governance priorities at present, considerations regarding strengthening the Board Leadership selection process will be picked up after mid-2024 ahead of the next selection process. Preparations for the selection of the Executive Director (ED) will be a future EGC priority.
  - vi. The EGC continues its oversight over **ethics matters** including monitoring the progress in areas including the outstanding Agreed Management Actions, and ethics as it relates to CCMs.
    - EGC's July discussion on ethics included progress updates and CCM ethics topics. In October, the EGC approved the 2024 Annual Work Plan and Budget for the Ethics Function and discussed ethics related risks.
    - The EGC received a readout from the informal CCM Working Group at its October meeting.
  - vii. On **legal matters**, EGC has received regular updates on **privileges and immunities** and the **Sanctions Panel**.
    - In October, the EGC recommended to the Board the reactivation of the **Privileges and Immunities Advisory Group** and will shortly present a revised set of terms of reference for Board decision, before supporting the selection of the group's membership.
15. **Strategy Committee.** The SC will engage on its work on core business processes, monitoring the advisory bodies under its purview, and discussion on several thematic areas, including critical areas which require the urgent attention of the Board as well as the broader partnership.
- i. **Thematic Areas.** The SC is continuing to focus its attention on key thematic areas including the three diseases, RSSH, pandemic preparedness and response, human rights, co-financing, climate and health, etc.
    - At the July meeting, the Committee received an update regarding the opportunities and challenges of **Next Generation market shaping** and an initial approach to the review of quality assurance (QA) policies. It also received annual reporting on wambo.org. Following this discussion, at the October meeting, the SC recommended to the Board for approval amended QA policies<sup>7</sup>.
    - The **SC discussed CCMs** at its July meeting. This included a holistic update on CCMs, including how CCMs are helping operationalize the new Strategy and progress made under

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<sup>7</sup> Amended and Restated Global Fund Quality Assurance Policy for Pharmaceutical Products, and the Amended and Restated Global Fund Quality Assurance Policy for Medical Devices (including In-Vitro Diagnostics) and Core Personal Protective Equipment

CCM Evolution. The discussion resulted in convening an informal cross committee (SC/EGC) Working Group aimed to formulate problem statements on four key areas: CCM differentiation, representation, decision-making and monitoring. In October, the SC received an update from the informal CCM Working Group.

- **An update on TB** was presented at the July SC meeting, with focus on TB results, portfolio performance, reflections from Window 1 of Grant Cycle 7 (GC7) grant making, and associated challenges and opportunities. The SC acknowledged the remarkable work that led to promising progress and rebound in the fight against TB since COVID-19. The SC sought for more effective programs including innovations for diagnosis, vaccines, and increased coverage of safer and tolerable treatment regimens.
  - Following up the partners' presentation during the malaria informal Board call in September, the SC discussed **malaria** mitigation approaches in GC7, including short term needs vs. long term priorities.
  - The SC discussed **RSSH/ PPR/C19RM and engagement with the Pandemic Fund**. At the July and October meetings, the SC discussed C19RM reinvestment and the continued engagement with the Pandemic Fund. At the October meeting, the SC had a deep dive on RSSH with focus on the differences in RSSH-PPR implementation for GC7 and C19RM. The SC also provided input and supported the proposed pilot on engagement with the Pandemic Fund.
- ii. **Oversight over advisory bodies.** The SC receives regular updates from the Technical Review Panel (TRP) and evaluation function including the Independent Evaluation Panel (IEP), as part of its oversight role.
- The SC approved the 2024 TRP budget and received updates regarding windows 1 and 2 of grant making.
  - The SC considered and approved the work plan and budget of the Evaluation Function for 2024. In this context the SC provided input to the objectives of the planned evaluations and requested more details on how these were prioritized out of the multiyear evaluation calendar. In addition, the Strategy Committee appointed two new IEP members in July 2023 and is currently considering the Evaluation Function Publication Procedure as an electronic decision (to close on 30 October).
- iii. The SC continues to focus on strategic performance reporting, country funding and catalytic investments. At the July SC meeting, the Strategic Initiatives Optimization Framework was approved.

## How will the Coordinating Group support Board priorities in 2023-2024?

16. 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** and ensuring **oversight of the Strategy is embedded** throughout;
  - ii. In the context of overall governance work planning and oversight of strategy implementation,

continued 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.

- iii. The effective coordination of oversight and reporting under the **M&E and KPI Frameworks**, as key to enabling oversight of strategy implementation, with the first reporting under the new KPIs commencing in 2024 and key evaluations due to be issued in the first half of the year;
- iv. Continued attention to how to **best leverage the role of the Board and committees**, amidst the challenging external landscape;
- v. **Risk oversight**, including dedicated attention to evolving and emerging risk areas, and the effective coordination of risk oversight by the committees and Board.
- vi. Attention to key deliverables in 2024, including the next allocation methodology due for decision in November 2024.

17. On governance effectiveness specifically, the CG will engage on:

- i. **The overall effectiveness of Global Fund governance**, through engagement with the Governance Performance Assessment 2023-2024, and its outcomes.
- ii. Continued overall **attention to clear, concise, well-structured documentation**.
- iii. **Continued efforts to streamline information and enable strategic discussion**, including continued attention to how results are presented to governance bodies to enable robust oversight of performance against strategic objectives; leveraging the M&E and KPI Frameworks as well as risk management reporting; providing insights into key thematic areas in a joined-up manner; and streamline reporting.
- iv. Further engagement, consultation, discussions, and analysis on **strengthening Board representation**.
- v. **Governance culture** led by the EGC, with collective responsibility and engagement across governance bodies, and a particular role for CG members as leaders of governance bodies in ensuring that efforts to enable a culture of trust, accountability and collaboration are embedded across Board and committee ways of working.
- vi. The Board mini retreat will provide input to support CG reflection on governance related topics.

18. On upcoming governance processes:

- i. CG members provide input into the individual Committee Leadership assessment process (2023), and Board Leadership assessment (2024), under the Governance Performance Assessment Framework.
- ii. SC and EGC will exchange on the regular assessment of advisory bodies as an approach for assessment of the IEP is established.



## Annexes

The following items can be found in Annex:

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

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

Decision Points approved by the Audit and Finance Committee between the 49 <sup>th</sup> and 50 <sup>th</sup> Board Meetings	
DP Ref. No.	Title
<b>22<sup>nd</sup> AFC Meeting, 5-6 July 2023</b>	
GF/AFC22/DP01	External Audit Plan and Fees
GF/AFC22/DP02	Amendments to the Human Resources Policy Framework
<b>22<sup>nd</sup> AFC Additional Meeting, 18 September 2023</b>	
GF/AFC22/DP03	Approval of the 2023 Interim Financial Report
GF/AFC22/DP04	Additional External Audit Services and Fees
<b>23<sup>rd</sup> AFC Meeting, 11-12 October 2023</b>	
GF/AFC23/DP01	Approval of the OIG's 2024 Budget, Workplan and Key Performance Indicators
GF/AFC23/DP02	Framework to Guide the Development, Review, Approval and Implementation of Blended Finance Transactions
GF/AFC23/DP03	Recommendation on the 2024 Work Plan and Budget Narrative and 2024 Operating Risk Appetite Statement
GF/AFC23/DP04	Amended Risk Appetite Statement

## 22<sup>nd</sup> Audit and Finance Committee Meeting Decision Points

### **Decision Point: GF/AFC22/DP01: External Audit Plan and Fees**

Based on its review and discussion, the Audit and Finance Committee approves the External Audit Plan for the year ending 31 December 2023, as set forth in GF/AFC22/03, and acknowledges its earlier approval of the related fee arrangements for the 2022-2024 term, pursuant to GF/AFC19/DP02.

Budgetary implications (included in OPEX budget)

### **Decision Point GF/AFC22/DP02: Amendments to the Human Resources Policy Framework**

Pursuant to its authority to approve modifications to Board-approved human resources policies under its charter, the Audit and Finance Committee approves the amendments to the Human Resources Policy Framework set out in Annex 1 to GF/AFC22/10A, which shall enter into force on 1 October 2023.

Budgetary implications (included in OPEX budget)

## 22<sup>nd</sup> Audit and Finance Additional Committee Meeting Decision Points

### **Decision Point: GF/AFC22/DP03: Approval of the 2023 Interim Financial Report**

The Audit and Finance Committee authorizes the issuance of, and therefore approves, the Global Fund's 2023 Interim Financial Report, which includes the Condensed Interim Financial Statements as at and for the period ended 30 June 2023 that have been reviewed by KPMG SA, as set forth in Annex 1 to GF/AFC22/12.

Budgetary implications (included in OPEX budget)

**Decision Point: GF/AFC22/DP04: Additional External Audit Services and Fees**

Based on its review and discussion, the Audit and Finance Committee approves the additional audit services and associated fees included in the “Audit Fee Update” as set forth in GF/AFC22/13. The additional services and fees shall supplement the External Audit Plan for the year ending 31 December 2023, approved pursuant to GF/AFC22/DP01, and the related fee arrangements for the 2022-2024 term, approved pursuant to GF/AFC19/DP02.

Budgetary implications (included in OPEX budget)

**23<sup>rd</sup> Audit and Finance Committee Meeting Decision Points**

**Decision Point: GF/AFC23/DP01: Approval of the OIG’s 2024 Budget, Workplan and Key Performance Indicators**

The Audit and Finance Committee (the “AFC”):

- a. Approves the OIG’s 2024 workplan set forth in Section 3 of GF/AFC23/04A;
- b. Approves the inclusion of the OIG’s 2024 operating expenses budget in the amount of US\$15.9 million in the 2024 Operating Expenses Budget of the Global Fund (the “OPEX”) to be recommended by the AFC to the Board for approval at the 50th Board meeting in November 2023; and
- c. Approves 2024 Key Performance Indicators for the OIG set forth in Annex 2 of GF/AFC23/04A.

**Decision Point: GF/AFC23/DP02: Framework to Guide the Development, Review, Approval and Implementation of Blended Finance Transactions**

1. The Audit and Finance Committee:
  - i. Affirms the importance of blended finance as part of the Global Fund’s efforts to maximize impact and leverage additional resources for health and the three diseases and as highlighted in the Global Fund 2023-2028 Strategy;
  - ii. Recalls the importance of Blended Finance 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;
  - iii. Recalls the Board decision point GF/B37/DP07, which in approving the Secretariat’s request to enter into an Administrative Agreement with the World Bank for a Performance

Based Project, directed the Secretariat to develop a framework to guide future consideration of investments through development partners; and

- iv. Recalls the access authority prescribed under section 18 of the Charter of the Office of the Inspector General (OIG) as set forth in Annex 1 to GF/B47/ER03 and approved by Board decision point GF/B47/EDP04.

2. Based on its review and discussion, the Audit and Finance Committee recommends the following decision point to the Global Fund Board for approval at its fiftieth meeting in November 2023:

**Decision Point: GF/B50/DPXX: Framework to Guide the Development, Review, Approval and Implementation of Blended Finance Transactions**

Based on the recommendation of the Audit and Finance Committee, the Board approves the blended finance approach set forth in Annex 1 to GF/B50/XX: Framework to Guide the Development, Review, Approval and Implementation of Blended Finance Transactions.

**Budgetary implications (included in, or additional to, OPEX budget)**

- There are no immediate, material budgetary implications for this approval. The only potential budgetary implications could be associated with the due diligence process described in the paper should the Global Fund seek to strengthen its capacity to conduct those due diligence efforts. If necessary, these are expected to be relatively minimal. Outside of this, existing Global Fund resources are sufficient to implement the new approach.
- This said, as highlighted in GF/AFC22/05, the Secretariat does expect that limited resources to seed blended finance transactions will continue to represent a challenge, particularly given constrained GC7 Strategic Initiative (SI) resources and increased reliance on country allocations to finance both Blended Finance transactions and associated fees.

**Decision Point: GF/AFC23/DP03: Recommendation on the 2024 Work Plan and Budget Narrative and 2024 Operating Expenses Budget**

1. The Audit and Finance Committee (AFC):
  - a. acknowledges its review and discussion of the 2024 Work Plan and Budget Narrative as set forth in GF/AFC23/07A and decides to recommend it to the Board for approval at its fiftieth meeting in November 2023;
  - b. decides to recommend the 2024 Operating Expenses Budget in the amount of US\$ 342.2 million, as set forth in GF/AFC23/07A to the Board for approval at its fiftieth meeting in November 2023, comprising: - PART A Secretariat Operating Expenses of US\$ 277.9 million; and - PART B In-Country and Independent Bodies of US\$ 64.4 million; and

- c. notes its approval of including the Office of the Inspector General's 2024 budget in the amount of US\$ 15.9 million, in the 2024 Secretariat Operating Expenses (GF/AFC23/07A); and

2. Accordingly, the AFC recommends the following decision point to the Board for approval at its fiftieth meeting in November 2023:

**Decision Point: GF/B50/DPXX: 2024 Work Plan and Budget Narrative and the 2024 Operating Expenses Budget**

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

- a. the 2024 Work Plan and Budget Narrative, as set forth in GF/B50/XX; and
- b. the 2024 Operating Expenses Budget in the amount of US\$ 342.2 million (comprising (i) PART A Secretariat Operating Expenses of US\$ 277.9 million, which includes US\$ 15.9 million for the Office of the Inspector General's 2024 Operating Expenses; and (ii) PART B In-Country and Independent Bodies of US\$ 64.4 million), as set forth in GF/B50/XX.

**Decision Point: GF/AFC23/DP04: Amended Risk Appetite Statement**

1. The Audit and Finance Committee (AFC):
  - a. acknowledges the analysis of external risk factors and recommendations presented in Annex 1 to GF/AFC23/8A – Revision 2;
  - b. notes the Strategy Committee's concurrence with the amended Risk Appetite Statement for the risk under such committee's oversight, as reported to the AFC; and
  - c. integrates the Strategy Committee's concurrence into the AFC's overall recommendation on the amended Risk Appetite Statement, as set forth in the table in Annex 1 to GF/AFC23/8A – Revision 2.
2. Accordingly, the AFC recommends the following decision point to the Board for approval at its fiftieth meeting in November 2023:

**Board Decision Point: GF/B50/DPXX: Amended Risk Appetite Statement**

1. The Board:

- a. recalls its ultimate responsibility to the Global Fund’s stakeholders for overseeing the implementation of effective risk management;
  - b. affirms the Strategy Committee’s concurrence with the amended Risk Appetite Statement under such committee’s oversight, as reported to the Audit and Finance Committee; and
  - c. further affirms the Audit and Finance Committee’s concurrence with the amended Risk Appetite Statement and integration of the Strategy Committee’s concurrence, as set forth in Annex 1 to GF/AFC23/8A – Revision 2 and pursuant to decision point GF/AFC23/DPXX.
2. Based upon the recommendation of the Audit and Finance Committee, the Board approves the amended Risk Appetite Statement, including risk appetite and timeframes to achieve target risk, as set forth in the table in Annex X to GF/B50/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 Statement approved by it shall supplement decision point GF/B49/DP04 (May 2023).

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

<b>Decision Points approved by the Ethics and Governance Committee between the 49<sup>th</sup> and 50<sup>th</sup> Board Meetings</b>	
<b>DP Ref. No.</b>	<b>Title</b>
<b>22<sup>nd</sup> EGC Meeting, 6-7 July 2023</b>	
GF/EGC22/EDP01	Delegation of Authority for the Ethics Officer Recruitment Process
<b>23<sup>rd</sup> EGC Meeting, 10-11 October 2023</b>	
GF/EGC23/DP01	Approval of the 2024 Ethics Office Work Plan and Associated Operating Expenses Budget
GF/EGC23/DP02	Recommendation on the reactivation of the Privileges and Immunities Advisory Group and Revisions to the Terms of Reference

### **22<sup>nd</sup> Ethics and Governance Committee Meeting Decision Points**

**Decision Point: GF/EGC22/EDP01: Delegation of Authority for the Ethics Officer Recruitment Process**

1. The Ethics and Governance Committee (“EGC”) notes its responsibility under its Charter (GF/B47/DP08), the Global Fund Ethics and Integrity Framework (GF/B32/DP09) and the Terms of Reference of the Global Fund Ethics Officer (GF/B45/EDP02) to select, jointly with the Executive Director, the next Ethics Officer, who shall be appointed on a no objection basis by the Board;
2. The EGC further notes the overview of the Ethics Officer recruitment process as set out in document GF/EGC22/08 and discussed at its 22nd meeting in July 2022;
3. Accordingly, the EGC delegates its authority to the following individuals to act on behalf of the EGC in the Ethics Officer recruitment process:
  - i. Magda Robalo, Roisin Fegan and Ina von Frantzius to serve on Selection Panel 1; and
  - ii. Magda Robalo and Mohammad Kisubi to serve on Selection Panel 2.

Budgetary implications included in OPEX budget.

**23<sup>rd</sup> Ethics and Governance Committee Meeting Decision Points**

**Decision Point: GF/EGC23/DP01: Approval of the 2024 Ethics Office Work Plan and Associated Operating Expenses Budget**

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

1. approves the 2024 work plan for the Ethics Office, as presented in GF/EGC23/03 (“the 2024 Ethics Work Plan”);
2. recommends to the Audit and Finance Committee:
  - a. the amount of USD 200,000 associated with CCM matters;
  - b. the amount of USD 2,331,301 associated with PSEAH matters;
  - c. the amount of USD 2,334,722 associated with ethics matters; and
3. accordingly recommends the total amount of USD 4,866,023 for the Ethics function for inclusion in the Global Fund’s overall 2024 operating expenses budget that will be presented to the Board for approval at its fiftieth meeting in November 2023.

**Decision Point: GF/EGC23/DP02: Recommendation on the reactivation of the Privileges and Immunities Advisory Group and Revisions to the Terms of Reference**

1. The Ethics and Governance Committee endorses the proposed revisions to the terms of reference of the Privileges and Immunities Advisory Group as set out in Annex 1 to document GF/EGC23/02 and recommends to the Board the following decision point for approval:

**GF/BXX/EDPXXX**

Based on the recommendation of the Ethics and Governance Committee (EGC), the Board,

1. Approves the reactivation of the Privileges and Advisory Group (PIAG), as set out in GF/BXX/EDPXX
2. Approves the revisions to the terms of reference of the PIAG as set out in Annex X to document GF/BXX/EDPXXX
3. Delegates to the EGC the authority to select and appoint members to the PIAG, and to extend the term of the group or dissolve it after its initial 3-year term.

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

Decision Points approved by the Strategy Committee between the 49 <sup>th</sup> and 50 <sup>th</sup> Board Meetings	
DP Ref. No.	Title
<b>22<sup>nd</sup> SC Meeting, 7, 10-11 July 2023</b>	
GF/SC22/DP01	Approval of the Prioritization Framework for Strategic Initiative Funds Available for Optimization
GF/SC22/DP02	Extension of the Technical Review Panel (TRP) Chair’s term until 31 October 2023
GF/SC22/EDP01	Appointment of new members of the Independent Evaluation Panel
<b>23<sup>rd</sup> SC Meeting, 9-11 October 2023</b>	
GF/SC23/DP01	2024 work plan and budget for the Independent Evaluation Function
GF/SC23/DP02	Amended and Restated Global Fund Quality Assurance Policy for Pharmaceutical Products and Amended and Restated Global Fund Quality Assurance Policy for Medical Devices (including In-Vitro Diagnostics) and Core Personal Protective Equipment



GF/SC23/DP03	Technical Review Panel 2024 workplan approval and budget recommendation to the Audit and Finance Committee
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## 22<sup>nd</sup> Strategy Committee Meeting Decision Points

### **Decision Point: GF/SC22/DP01: Approval of the Prioritization Framework for Strategic Initiative Funds Available for Optimization**

1. The Strategy Committee has delegated authority from the Board under GF/B41/DP04 and GF/B47/DP06 to approve any increase or decrease of any amount for any Board-approved catalytic priority area above a fixed percentage.
2. Based on the Secretariat's recommendation and the Strategy Committee's review and discussion at its March 2023 meeting, reinforced during the May 2023 Board dialogue, and subsequent review at the July 2023 meeting, the Strategy Committee approves the Prioritization Framework for Strategic Initiative Funds Available for Optimization (the "SI Prioritization Framework"), as set forth in Annex 1.
3. The Strategy Committee notes that the Audit and Finance Committee has the authority to approve the amount available for optimization within the Strategic Initiative portfolio.

**Budgetary implications: Not applicable**

### **Decision Point: GF/SC22/DP02: Extension of the Technical Review Panel (TRP) Chair's term until 31 October 2023**

The Strategy Committee:

1. Approves a limited extension of the term of the current TRP Chair until 31 October 2023 to ensure orderly leadership transition; and
2. Notes that the term extension is only with respect to the current TRP Chair. All subsequent TRP leadership terms shall remain consistent with the TRP Terms of Reference, unless otherwise approved by the Strategy Committee.

**This decision has no budgetary implications**

### **Decision Point: GF/SC22/EDP01: Appointment of new members of the Independent Evaluation Panel**

The Strategy Committee ("SC"), Based on the recommendation of the SC Working Group on the Independent Evaluation Panel ("IEP") recruitment:

1. Approves the appointment of Maria Florencia Guerzovich and Fred Carden as new members of the IEP from 1 September 2023, for a term of three years.

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

Honorarium and associated travel and meetings costs for IEP to be funded through OPEX as included in the annual Evaluation Function budget.

### 23<sup>rd</sup> Strategy Committee Meeting Decision Points

#### **Decision Point: GF/SC23/DP01: 2024 work plan and budget for the Independent Evaluation Function**

1. The Strategy Committee (SC), considering advice of the Independent Evaluation Panel, approves the Annual Work Plan of the Evaluation and Learning Office for 2024 (Work Plan), as presented in GF/SC23/06.
2. The SC acknowledges the cost of implementation of the Work Plan of US\$3,741,495. The SC recommends to the Audit and Finance Committee (AFC) the inclusion of the 2024 Evaluation Budget, in the amount of US\$3,741,495 in the 2024 Operating Expenses Budget of the Global Fund to be recommended by the AFC to the Board for approval at its 50th Board meeting in November 2023.

**Budgetary implications (included in OPEX budget): US\$3,741,495**

**recommended for inclusion in the 2024 OPEX.**

This recommendation is based on, and assumes approval of, the provisional amount of **US\$3,741,495** recommended by the Secretariat to the AFC for the operating expense budget for 2024.

#### **Decision Point: GF/SC23/DP02: Amended and Restated Global Fund Quality Assurance Policy for Pharmaceutical Products and Amended and Restated Global Fund Quality Assurance Policy for Medical Devices (including In-Vitro Diagnostics) and Core Personal Protective Equipment**

1. The Strategy Committee ("SC") recognizes that:
  - i. the Global Fund's Quality Assurance Policy for Pharmaceutical Products, as amended and restated in 2010 through GF/B22/DP09, and Quality Assurance Policy for Diagnostics Products, as last amended in 2017 through GF/B37/DP12, elaborate standards that funding recipients must adhere to when purchasing health products; and

- ii. the global regulatory landscape and scope and scale of the Global Fund's procurement has evolved requiring policy updates to better deliver the Global Fund's Strategy and drive more equitable access to quality assured health products and improve supply security.
2. Accordingly, the SC recommends the following decision point to the Board for approval at its 50th meeting in November 2023:
- i. Based on the recommendation of the Strategy Committee, the Board approves: the Amended and Restated Quality Assurance Policy for Pharmaceutical Products as set forth in [Annex 1 to GF/B50/XX];
  - ii. the Amended and Restated Quality Assurance Policy for Medical Devices (including In-Vitro Diagnostics) and Core Personal Protective Equipment, as set forth in [Annex 2 to GF/B50/XX], which replaces in its entirety the former Quality Assurance Policy for Diagnostics Products; and
  - iii. the delegation of authority to the Secretariat, in consultation with the Strategy Committee Chair and Vice Chair, to make non-material adjustments to the two quality assurance policies referenced above, in line with [Annex 3 to GF/B50/XX] and to report back to the Strategy Committee and Board on all such changes.

**Budgetary implications (included in, or additional to, OPEX budget)**

**This decision has no budgetary implications**

**Decision Point: GF/SC23/DP03: Technical Review Panel 2024 workplan approval and budget recommendation to the Audit and Finance Committee**

The Strategy Committee approves the 2024 Technical Review Panel (TRP) workplan and recommends to the Audit and Finance Committee (AFC) inclusion of the 2024 TRP US\$1,718,830 budget amount in the 2024 Operating Expenses Budget of the Global Fund to be recommended by the AFC to the Board for approval at the 50th Board meeting in November 2023.

**Budgetary implications (included in, or additional to, OPEX budget):**

**US\$1,718,830 is included in OPEX**