



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

The Global Fund Replenishment Second Meeting

Rome, 20-21 June 2005

Chair's Summary

1. The second meeting on the Replenishment of The Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) took place in Rome on 20-21 June 2005. Mr. Giuseppe Drago, Italy's Deputy Minister of Foreign Affairs, welcomed the participants and opened the meeting. Dr. Peter Piot, Executive Director of UNAIDS, represented the Chair of the Replenishment process, Mr. Kofi Annan, Secretary General of the United Nations. Thirty-one delegations participated. Sven Sandström chaired the meeting.

2. Participants welcomed the progress made by the Global Fund and its partners since the first replenishment meeting in Stockholm in March, particularly with regard to the subjects that had been identified for review and follow-up. Among these, they highlighted several that require further attention prior to their next meeting in London on 5-6 September, including the following:

- a. With regard to the ongoing review of grants and the implementation of performance measurement and performance-based funding, participants expressed satisfaction with the progress achieved to date and the monitoring and evaluation systems currently in place. They noted *inter alia* that higher level analyses of the expanding portfolio can now be done, allowing lessons to be identified. Participants asked for more clarity with regard to the level of ambition of performance targets. A further progress report will be provided for the September meeting;
- b. With regard to harmonization and implementation of the Three Ones principle at the country level in specific countries, participants noted the progress and the challenges in the seven countries represented by the case studies. A further progress report on harmonization and implementation in specific countries will be presented to the September meeting;
- c. With regard to the development of the Global Fund strategy, participants requested that the recommendations of the Global Task Team be taken into account, that the principle of the Global Fund as a financing

mechanism and not an implementing agency be respected, and that partner agencies be engaged and consulted in the preparation of the strategy. They noted the central role of the Board of the Global Fund in developing and approving the strategy. They asked for an update at the September meeting;

- d. With regard to the application of performance-based funding in weak systems and fragile states, participants stressed the importance of this review and noted that they will receive the full paper for the September meeting.

3. Participants also welcomed the report of the Global Task Team on Improving AIDS Coordination among Multilateral Institutions and International Donors. They noted that the recommendations, if implemented, would help improve the effectiveness of all participating organizations in the fight against the three diseases. The recommendations would enable the Global Fund to sharpen the focus on its principal role as a financing mechanism, with its partners focusing on supporting activities and particularly on implementation and capacity building. They welcomed the action plan set out in the report and asked for a full progress report for their September meeting. Participants noted that estimates of funding needs for the UN agencies supporting the implementation of Global Fund programs will be provided by July 15 and presented at the September meeting.

4. WHO reported on prospects for improving coordination with regard to tuberculosis and malaria and indicated that a paper on institutional architecture and financing needs for the provision of technical support related to the two diseases will be provided by the end of July, for discussion at the September meeting. The paper would also indicate how the Three Ones principle could be applied to the two diseases.

5. The financial situation of the Global Fund for 2005 was reviewed. Participants noted that a significant gap of about USD 650 million still remains. Donors agreed urgently to consider additional contributions and to ensure that pledges are paid as early as possible.

6. With regard to funding for the 2006-2007 replenishment period, participants welcomed the announcement by France of a significant increase in its contribution to the Global Fund. Several donors indicated that they were also considering significant increases while others emphasized that budgetary constraints would only allow more limited increases at this time. Participants stressed, however, that considerably stronger efforts would be required before September in order to achieve a successful conclusion of the replenishment. Participants also highlighted the importance of stronger engagement with the private sector and welcomed the preparation of a private sector strategy note for the September meeting that would outline how this objective, including the need for increased private sector contributions, would be achieved over time.

Participants agreed to consider increased use of promissory notes to the extent possible.

7. Participants welcomed and discussed the proposed use of soft performance measures with the objective of helping them assess the performance of the Global Fund during the 2006-2007 replenishment period, in preparation for the next replenishment cycle. Participants noted that the Global Fund has introduced a performance measurement system and suggested that this be used to assess the performance of the Fund and that parallel or duplicative systems and measures be avoided. It was also suggested that participants rely on Board monitoring of performance, with participants being kept informed. It was agreed that a working group of participants and the chair of the TERG in July would prepare a proposal that would achieve the above objective, taking into account the views expressed. The proposal would be circulated to all participants for comments before being submitted for discussion at the September meeting.

8. Participants reviewed plans for the third and final meeting of this replenishment cycle in London on 5-6 September. They agreed that a communiqué and a short report on the agreements reached during the replenishment should be drafted for approval at the September meeting. The Annex lists subjects on which participants would receive information and review progress at the September meeting.

9. Looking beyond the September meeting, participants agreed to consider holding a mid-term meeting in 2006 to review progress on funding and implementation, and also to discuss plans for a second replenishment cycle for 2008 and beyond.

10. Participants thanked Italy for the excellent arrangements for the meeting and for the warm hospitality.

**List of subjects on which to report at the replenishment meeting
in London on 5-6 September 2005**

1. Results of further Phase 2 review of grants and lessons learned. (Para 2a)
2. Further progress on the implementation of the performance measurement and performance-based funding systems. (Para 2a)
3. Further progress on implementation of harmonization and the Three Ones principle at the country level in specific countries, respecting the country-driven character of the Fund. (Para 2b)
4. Progress on Global Fund long-term strategy. (Para 2c)
5. Review of the application of performance-based funding in weak systems and fragile states. (Para 2d)
6. Progress on the implementation of the recommendations of the Global Task Team and estimates of funding needs of supporting UN agencies. (Para 3)
7. Review of institutional architecture and financing needs for technical support for TB and Malaria. (Para 4)
8. Strategy for stronger engagement with the private sector. (Para 6)
9. Proposal for the use of soft performance measures to help assess the performance of the Global Fund during the 2006-2007 replenishment period, in preparation for the next replenishment cycle. (Para 7)
10. A draft communiqué and a draft report on the agreements reached during the replenishment. (Para 8)