



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

**Ninth Board Meeting
Arusha, 18-19 November 2004**

**GF/B9/7
Revision 1**

REPORT OF THE GOVERNANCE AND PARTNERSHIP COMMITTEE (REVISIONS UNDERLINED)

Outline: This is the revised report from the Governance and Partnership Committee. The report and its annexes gives an overview of the committee's activities and deliberations and offers several recommendations for decision by the Board.

Summary of Decision Points:

1. The Board decides to adopt the CCM requirements as outlined in the decision points in Part 2.
2. The Board approves the Memorandum of Understanding with Roll Back Malaria, attached as Annex 3 to the Report of the Governance and Partnership Committee (GF/B9/7), and requested the Secretariat to provide periodic reports on cooperation between the Fund and RBM under the agreement.
3. The Board amends the Committee Rules and Procedures, para. 1.2.3, to read as follows:

The Ethics Committee may conduct business only when three or more members and the Chair are present.

Part 1: Introduction

1. The Governance and Partnership Committee met on 20 and 21 September 2004 under the leadership of the Chair, Mr Pasqualino Procacci, and the Vice Chair, Ms Dana Farcasanu, to pursue several ongoing issues and to address some new mandates. The meeting Agenda and the participants list are attached as Annex 1 and 2. In addition, the GPC held two conference calls to continue their work on the 11th and 20th October 2004.
2. The deliberations of the Committee are summarized below with recommendations noted and supporting documentation contained in the attached annexes.

Part 2: Country Coordinating Mechanisms

CCM Requirements

1. At the Eighth Board Meeting the GPC presented the Board with a policy paper containing a series of requirements and recommendations to strengthen the guidance on CCM composition, roles and responsibilities that is provided to countries. The Board reviewed the recommendations and decided to proceed with all guidance to be provided in the form of recommendations rather than requirements.
2. The first Partnership Forum of the Global Fund was held in Bangkok on 7th - 8th July and resulted in a strong recommendation to the Board to re-consider at least a small set of requirements to improve CCM functioning which the Forum perceived as in need of stronger guidance and more stringent standards.
3. The Board Chair and Vice Chair, acting in response to a request by the Partnership Forum Steering Committee to expedite consideration of the Partnership Forum report, requested the GPC Chair to consider the proposed requirements previously submitted to the Board as part of the GPC workplan, and try to develop a short set of requirements for the Board to consider at the Ninth Board Meeting.
4. GPC has considered the recommendations from the Partnership Forum and recommends three requirements on CCMs for Board consideration. The three requirements being proposed are guided by the Global Fund principles and focus on areas where improvements can be made that are key to the effectiveness of CCMs whilst requiring limited additional efforts. The proposed requirements are related to safeguarding transparency and to strengthening equal participation of the relevant partners, in particular of communities living with the diseases and of the non-government sector, in all Global Fund processes. It was these areas that were found to be most wanting by the various studies and surveys that had been undertaken, and by Partnership Forum participants.
5. Regarding representation, recent information shows that earlier gains for communities' representation on CCMs has been eroded over the last months and even fewer CCMs now have members from the communities living with the diseases. Introduction of a specific requirement regarding participation of communities is deemed necessary to rectify this trend. In some cases, there is also concern and a lack of clarity regarding the mandates of some CCM members in representing their sectors, in particular for members that represent the non-governmental sector. It is thus recommended that the non-governmental sectors develop their own transparent process to make their own nominations of representatives to the CCM. Effective representation of civil society in CCMs is a key factor in ensuring CCM capacity to prepare, implement and supervise Country Coordinated Proposals.
6. Since the proposal submission process is a key area where in-country and Partnership Forum feedback indicates a lack of transparency, limited participation in decision-making, and an absence of information, it was considered important that some requirements are in place to ensure that access to

the proposal process is facilitated and information on how the proposals are treated is available to all stakeholders.

7. Since it was decided, at this stage, not to introduce any requirements related to conflicts of interest, the GPC is recommending a change to the CCM guidelines that clarifies the intention of the recommendation and makes it clear that a risk mitigation plan must be in place if indeed the CCM Chair or Vice Chair is also the principal recipient.

Performance Standards and Indicators for CCM Monitoring

8. The TERG, at the request of GPC, developed and finalized methodologies and measures to evaluate the composition and functioning of the Country Coordinating Mechanism (CCM). The proposed CCM checklist, which is based on the requirements and recommendations included in the CCM guidelines, will be used both for external audits and regular self assessments of CCMs. The checklist as well as the proposed methodologies for its application was reviewed by GPC prior to its presentation to MEFA. GPC made several suggestions and adjustments which were adopted. MEFA reviewed and approved the revised measurement framework for the composition and functioning of the CCMs. This framework is available as an attachment to the MEFA report (GF-B9-8, Annex 8).

9. Though the Board mandated the development of a pilot set of auditable standards for benchmarking the performance of CCMs, TERG informed GPC that it cannot develop auditable standards without CCMs being subjected to meet specific requirements. Should the Board decide to accept the requirements proposed by GPC, then it could develop more definite standards against which to measure and quantify CCM performance.

10. GPC requested the Secretariat to field-test the TERG-developed checklist in several pilot countries as soon as possible so that early feedback can be obtained about whether it is useful, user-friendly, and gives GPC the necessary information on which to base future policy recommendations. The Secretariat undertook to deploy the checklist rapidly and report back to the GPC with any early findings during their next reporting period.

Decision Point 1-2:

1. The Board adopts the following requirements for CCMs:

- a. All CCMs are required to show evidence of membership of people living with and/or affected by the diseases;**
- b. CCM members representing the non-government sectors must be selected by their own sector(s) based on a documented, transparent process, developed within each sector;**
- c. CCMs are required to put in place and maintain a transparent, documented process to:**
 - i. Solicit and review submissions for possible integration into the proposal;**
 - ii. Nominate the Principal Recipient and oversee program implementation;**
 - iii. Ensure the input of a broad range of stakeholders, including CCM members and non-members, in the proposal development and oversight process**

2. The Board agrees to make the following word substitution in the CCM Guidelines:

When the PRs and Chair or Vice Chairs of the CCM are the same entity, the CCM must ~~should~~ have a written plan in place to mitigate against this inherent conflict of interest.

There are no material budgetary implications of this decision.

Part 3: Memoranda of Understanding

1. The GPC has reviewed several versions of the Memoranda of Understanding between both Stop TB and Roll Back Malaria. After input from the Committee, both agreements were thought to be ready for signature with the respective organizations. However, it turned out that GPC had approved an MOU with Stop TB that had not been preliminarily approved by the Board of Stop TB itself. Negotiations between the Secretariat and the Stop TB Board representatives suggested that the STB MOU should not be presented to the Ninth Board meeting of the Global Fund but that we wait for its approval by the STB Board before proceeding. Only the Memorandum with Roll Back Malaria is therefore attached here as Annex 3.

2. In pursuing these partnerships the GPC has been mindful of the vision on partnerships as laid out in *Partnerships: Framework and Priorities for the Global Fund* which was approved at the Fourth Board meeting. This document states clearly: "The basis of partnerships can be tied specifically to the identification of mutual benefits and common objective(s) between the Global Fund and the organizations or institutions with which it wishes to partner. The chief objective of the Fund is to make a substantial impact in the fight against AIDS, tuberculosis and malaria, particularly in communities of greatest need by leveraging rapid and innovative mechanisms to provide these communities with resources." (para 5).

3. Specifically these partnerships fall under the technical partnerships rubric as explained in the paper:

Technical partnerships are ones in which the Fund's partners offer a particular type of valued and focused expertise that is of high value to the Fund's core processes. In this case, the partners do not conduct the processes directly, but support them through their distinctive skill. Technical capacity on their part complements the financial capacity on the part of the Fund. The level and sector of the partner are not as critical as the functional ability, which has likely been developed to advance the same goals as those that the Fund seeks. (para15.)

4. The GPC, in reviewing these agreements has noted on several occasions that the formal agreements with Stop TB and RBM are important to guide the operational partnerships on the ground. The Secretariat updated the GPC on recent activities where partners from the RBM and STB have been particularly supportive and helpful in facilitating the implementation of grants in-country.

5. There was one outstanding issue regarding the Roll Back Malaria memorandum where committee members were not in agreement regarding the clause to allow the Executive Director of the Fund to be an ex-officio member of the RBM Board. It was thought that the issue required more thought and did not have to be covered by the MOU, therefore it has been removed from the agreement and will be discussed separately.

6. The GPC is therefore pleased to recommend the Roll Back Malaria MOU to the Board for approval and will continue to monitor the relationship with this key partner. The GPC will monitor the ongoing negotiations between the Secretariat and Stop TB and ensure that the Stop TB MOU is presented to the Tenth Board meeting.

Decision Point 3:

3. The Board approves the Memorandum of Understanding with Roll Back Malaria, attached as Annex 3 to the Report of the Governance and Partnership Committee (GF/B9/7), and requested the Secretariat to provide periodic reports on cooperation between the Fund and RBM under the agreement.

There are no material budgetary implications of this decision.

Part 4: Additional Safeguard Policy

1. The Additional Safeguard Policy (ASP) was the subject of briefings at the GPC meeting as well as on both conference calls. In addition to questions members raised on specific countries and patterns and rules for disbursement of funds in specific countries, there was general agreement that the GPC needed to set up a more systematic method of reviewing and monitoring the policy and that the Chair and Vice Chair of GPC should be informed when policy is applied. The Secretariat was asked in particular what criteria were being used to decide when a country fell under the ASP or not, and at which point the policy was applied. The GPC requested that notification to the Committee and the Board Chair and Vice Chair should be done well in advance of a grant signing so that information was available in advance on what special measures were being applied.

2. The Secretariat explained that a clear process had been instituted within the Fund on ASP countries. The Executive Director decided when a grant would be negotiated using additional safeguards, and Mr Mike Marchment, Management Advisor, would be responsible for keeping up-to-date information on each grant and for reporting regularly to the GPC and the Board Chair and Vice Chair. The decision on the application of the ASP would be based on several internationally recognized indices measuring corruption, political instability and other similar indicators (including in-country information sources) to create a composite measure of risk to Fund finances. In addition to advance notification when the Policy is applied, the GPC would receive a full briefing on progress at each meeting. The Secretariat also noted that countries subject to the ASP will not receive additional monies until all required reports had been received and verified.

3. The GPC agreed that they would discuss at their next meeting how a regular reporting process should be managed, how this internal reporting would be made available in a transparent manner to an external audience, and how to deal with countries where additional measures have been taken to protect Global Fund interests but which have not been fully designated as ASP countries. The Secretariat supported this proposal, noting, however, that some information on the countries was confidential and would need to be treated with discretion so as not to endanger sources, especially those in-country.

4. GPC therefore requested the Secretariat to prepare a written report on the countries for the next meeting, including a review of the current application to date which would extract some criteria that could be usefully used to determine future applications of the policy. The GPC would then consider the appropriate roles and responsibilities in the monitoring process. GPC will continue to monitor the issue and keep the Board informed. GPC will also consider at its next meeting the application of the Policy.

Part 5: Headquarters Agreement

1. The Secretariat introduced a working paper to the GPC regarding possible implications of the signing of the Headquarters agreement with the Swiss authorities which is scheduled for sometime in November. The paper explained that some functions currently managed under the Administrative Services Agreement with WHO may be moved out from that agreement in the wake of a new status for the Fund. The Committee had a mixed reaction to the potential changes presented with most

welcoming the Secretariat's forward planning in reviewing the possible options the new status would bring, while other members were concerned that the changes were moving too fast and the full consequences had yet to be taken into account. Several committee members noted that the welfare of staff must be paramount and that staff needs, and particularly staff safety in country, should be an important consideration.

2. The GPC asked the Secretariat to work more on the implications and to consider the issues they had raised and report back at the next meeting. The GPC also reminded the Secretariat that the Board and the GPC needed to be notified in advance of the signing of the agreement. Since no definite date has yet been received from the Swiss, the Secretariat noted that the issue was very much in the hands of the Swiss at present and that any information on a date for finalization would be shared as soon as it was known.

Part 6: Ethics Committee

1. Following the decision at the Eighth Board meeting to expand the membership of the Ethics Committee from four to six members, the Ethics Committee considered whether adjustments should be made to the quorum requirements for the Committee. The Ethics Committee reported to the GPC that it recommends changing the quorum requirement from two Committee members and the Chair, to three Committee members and the Chair, in order to bring it in line with the expanded membership. As a result, the GPC recommends that the Board approve the decision point below to formalize this change.

Decision Point 5:

5. The Board amends the Committee Rules and Procedures, para. 1.2.3, to read as follows:

The Ethics Committee may conduct business only when three or more members and the Chair are present.

There are no material budgetary implications of this decision.

Part 7: Committee Review

1. At the Seventh Board meeting in March 2004, the Board decided the following:

The Board mandates a study of, and recommendations regarding, the structures, role and composition of any Board committees. The findings and recommendations of the study should be presented, via the Governance and Partnership Committee with options, to the Board at the Ninth Board Meeting.

2. The Chair and Vice Chair of the Board then managed a process by which pro bono services of a consulting company were procured to carry out this study. The selected company, Booz Allen Hamilton, then undertook a study, including an assessment and diagnosis of the current status which included a document review, a survey and a series of interviews with current and past Board and Committee members and observation of several committee meetings. GPC was very interested in the process and received a briefing from the lead consultant, John Larkin, both at their meeting and on the conference calls. Early results of the study were shared with the GPC before their final call and feedback was provided.

3. The final results of the consultant's recommendations to the Board will be presented directly and GPC was not able to review the final package before completing this report.

Part 8: Decision-making for Phase 2 Renewals

1. The MEFA Committee shared with GPC their decision points on the Decision-Making process for Phase 2 Renewals (Report of the MEFA Committee, GF/B9/8), most particularly the suggested changes to the Bylaws and Board Operating Procedures outlined in Annex 4 (GF/B9/8 Annex 4). GPC reviewed these changes and had no issues with the proposed additions. GPC considers that, should the Board decide to accept the MEFA recommendations on the decision-making for Phase 2, the changes to the governance documents are appropriate and correct. GPC therefore endorses the proposed changes to the Bylaws.

This document is part of an internal deliberative process of the Global Fund and as such cannot be made public. Please refer to the Global Fund's Documents Policy for further guidance.

LIST OF PARTICIPANTS
GOVERNANCE AND PARTNERSHIP COMMITTEE

Members

1. Dr. Xing Jun, Western Pacific (China)
2. Dr. Dana Farcasanu, Eastern Europe
3. Mr. Pasqualino Procacci (Chair), Italy
4. Mr. Todd Summers, Private Foundations
5. Dr. Neeraj Minstry, Private Sector
6. Mr. Tamotsu Ikezaki, Japan
7. Dr. Héctor Escamilla, Latin America & Caribbean
8. Ms. Razia Essack-Kauaria, NGO Developing Country
9. Mr. Rodrigo Pascal, NGO Representing Communities
10. Ms. Marijke Wijnroks, Point Seven
11. Mr. John S. Gardner, USA

Additional Participants:

12. Dr. Hélène Rossert-Blavier, (Board Vice Chair), Developed Country NGO
13. Ms. Margaret Grebe, Board Chair's Liaison, USA

Global Fund Staff Members:

14. Mr. John Burke, Chief Administrative Officer
15. Ms. Doris D'Cruz, Coordinator, CCM Development
16. Ms. Dianne Stewart, Board Relations Manager
17. Mr. David Sullivan, Senior Legal Officer
18. Mr. Elhadj Sy (As), Director, Operational Partnerships & Country Support
19. Mr. Eiichi Seki, Director of Portfolio Support and Policy
20. Ms. Katarzyna Daghig, Admin Support
22. Mr. Mike Marchment

**MEMORANDUM OF UNDERSTANDING BETWEEN THE GLOBAL FUND TO FIGHT AIDS,
TUBERCULOSIS AND MALARIA AND THE ROLL BACK MALARIA PARTNERSHIP REGARDING
PRINCIPLES OF COLLABORATION**

This Memorandum sets forth the understanding for collaboration between the Global Fund to fight AIDS, Tuberculosis and Malaria (the “Global Fund”) and the Roll Back Malaria Partnership (“RBM”).

1. Background

- 1.1. The Roll Back Malaria Partnership was launched in Nov. 1998 to reduce the burden of malaria by half by 2021. Its activities also support the United Nations’ Millennium Development Goals and the Abuja Roll Back Malaria goals agreed upon by Africa Heads of State and Government in April 2000, namely that by 2005:
 - a) at least 60% of those suffering malaria have prompt access to, and are able to correctly use, affordable and appropriate treatment within 24 hours of the onset of symptoms;
 - b) at least 60% of those at risk of contracting malaria, particularly children under five years of age and pregnant women, benefit from the most suitable combination of personal and community protective measures such as insecticide-treated mosquito nets and other interventions which are accessible and affordable to prevent infection and suffering; and
 - c) at least 60% of all pregnant women who are at risk of contracting malaria, especially those in their first pregnancies, have access to chemoprophylaxis or presumptive intermittent treatment.
- 1.2. Subregional networks of RBM partners seek to proactively engage countries in generating knowledge for strategies to prevent and to treat malaria, to identify mechanisms to increase local responses to the disease, and to evaluate the progress of countries in achieving tangible outcomes.
- 1.3. RBM’s activities include helping countries with: the development of malaria-control work plans, communications and advocacy; procurement and logistics; advocacy for additional resources for malaria-control health-sector funding agencies; poverty reduction measures such as Poverty Reduction Strategy Programs (PRSP) and the Highly Indebted Poor Countries (HIPC) initiative, and inter-sectoral action; health system planning and management for integration into health sector reform; and capacity building of management systems.
- 1.4. RBM is primarily a provider of technical and operational support countries but is not a major source of funding.
- 1.5. The purpose of the Global Fund is to attract, manage and disburse additional resources through a new public-private partnership that will make a sustainable and significant contribution to the reduction of infections, illness and death, thereby mitigating the impact caused by HIV/AIDS, tuberculosis and malaria in countries in need, and contributing to poverty reduction as part of the Millennium Development Goals. Funding is made available for proposals approved by the Global Fund Board and normally submitted to the Global Fund through a Country Coordination Mechanism (CCM).

2. Benefits of Collaboration

- 2.1. Since its establishment, RBM has wished to assure governments of malaria-endemic countries, particularly in Africa, of the availability of external funds to partially cover the costs of well developed approaches to expanding cost-effective interventions to control malaria. The establishment of the Global Fund will provide a greater opportunity for countries to obtain the necessary funding for technically-sound programs.
- 2.2. The merits of the Global Fund as key financing mechanism which may expand RBM action at the country level are that:
 - a) It is one of the largest sources of funding to expand cost-effective interventions in resource-constrained, malaria-endemic countries;
 - b) It funds technically-sound country-driven proposals supported by evidence-based technical policies and strategies,; and
 - c) It has, as an integral component of its funding requirements, a system to monitor progress and to ensure accountability of funds.

3. Types of collaboration

- 3.1. In accordance with the principle of national ownership of the programs and activities supported by RBM and the Global Fund, RBM plans, upon request, to support Global Fund activities by:
 - a) Facilitating and catalysing the global and country processes necessary to develop proposals for Global Fund grants in countries, based on the principles of country-led program formulation and implementation;
 - b) Supporting the development of proposals for Global Fund grants by supporting CCMs and through the dissemination of planning frameworks and documentation regarding best practices;
 - c) Providing CCMs and Principal Recipients with programmatic support to identify and refine relevant arrangements for successful implementation of approved proposals;
 - d) Tracking the implementation of proposals and providing the Global Fund with data on performance indicators by the collection and synthesis of data by Principal Recipients; and
 - e) Supporting global advocacy efforts by using RBM's communications channels to encourage international and national authorities to consider increased support of and investment in the Global Fund.
- 3.2. The Global Fund plans to support RBM initiatives by:
 - a) Providing financing to grantees for interventions supporting prevention, treatment, and care, including those that support improved access to essential commodities and, as consistent with its policies and operations, interventions providing comprehensive access to and eligibility for appropriate public health products, including artemisinin-based derivatives, as measures to contain drug resistance.
 - b) Supporting RBM technical norms and standards, and scaling-up strategies where consistent with Global Fund policies and operations.

4. Means of Collaboration

4.1. RBM plans to support Global Fund programs, upon Global Fund request, by:

- a) Identifying and making available a person to serve as liaison to the Global Fund to ensure that the Global Fund can effectively access existing country support mechanisms such as the interagency/intercountry support networks and the country RBM program advisers;
- b) Identifying RBM partner focal points for each approved country proposal. The focal points would facilitate access to appropriate assistance prior to contract negotiations and proposal implementation and ensure that global and regional RBM partners provide assistance in response to needs identified by the interagency/intercountry support network.
- c) Making available the malaria finance and resource mobilization team leader for participation in ad hoc and permanent working groups convened by the Global Fund.
- d) Providing technical input to the Global Fund in the procurement assessment process.

4.2. The Global Fund plans to support RBM initiatives by:

Working closely with the designated liaison person and the country focal points to ensure that global and regional RBM partners are working in close collaboration with CCMs and PRs.

4.3. The Global Fund and the RBM Partnership Secretariat will hold periodic meetings for joint planning and progress review.

5. Effective Period of this Memorandum of Understanding

5.1. This Memorandum of Understanding will be effective for a period of 12 months from the date of signature by both Global Fund and RBM. The Global Fund and RBM may amend this Memorandum of Understanding by agreement in writing.

6. Modification

RBM and the Global Fund will review and modify this MOU, as appropriate any time prior its expiration date.

Signed:

Awa Marie Coll-Seck
Executive Secretary
Roll Back Malaria
Partnership Secretariat

Date:

Signed:

Richard G.A. Feachem
Executive Director
The Global Fund to fight AIDS,
Tuberculosis and Malaria

Date: