



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

**Tenth Board Meeting
Geneva, 21-22 April 2005**

Approval of the Agenda

Decision Point:

The agenda for the Tenth Board Meeting is approved with modifications.

There are no material budgetary implications for this decision.

Signed 21-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat



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**Tenth Board Meeting
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Appointment of the Rapporteur

Decision Point:

- Dr. Ren Minghui from the Western Pacific Region (China) Constituency is designated as Rapporteur for the Tenth Board Meeting.

There are no material budgetary implications for this decision.

Signed 21-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat



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**Tenth Board Meeting
Geneva, 21-22 April 2005**

Approval of Report of the Ninth Board Meeting

Decision Point:

- The report of the Ninth Board Meeting is approved.

There are no material budgetary implications for this decision.

Signed 21-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
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Tenth Board Meeting
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Election of Chair and Vice Chair 2005-2007

Decision Points:

Decision Point 1:

Dr. Carol Jacobs of the Latin America and Caribbean constituency is unanimously elected as Chair of the Board of The Global Fund to Fight AIDS, Tuberculosis & Malaria for the period of 2005-2007.

There are no material budgetary implications for this decision.

Decision Point 2:

Prof. Michel Katzatchkine of the France (Luxemburg, Spain) constituency is unanimously elected as the Vice Chair of the Board of The Global Fund to Fight AIDS, Tuberculosis & Malaria for the period of 2005-2007.

There are no material budgetary implications for this decision.

Signed 21-04-2005

Dr. Ren Minghui
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Country Coordinating Mechanisms

Decision Points:

Decision Point 1

The Board approves the changes to the CCM Guidelines regarding CCM oversight of implementation, as outlined in GF/B10/7, Annex 3.

There are no material budgetary implications for this decision.

Decision Point 2

The Board requests the Secretariat to work closely with partners (multi/bilateral partners, private sector and others) to facilitate and coordinate the provision of resources to support CCM secretariat functioning.

In countries where partner support for CCMs is not available, the Board approves the use of grant funds to provide CCM support, provided that funding is limited to two-years and meets the terms and conditions set out in Part 2 (para.16) of GF/B10/7. The Board requests the Secretariat to widely communicate this decision point to all stakeholders.

There are no material budgetary implications for this decision.

Decision Point 3

The Board approves the revised text of paragraph 19 as outlined in GF/B10/7, Annex 3 (see below).

Revised text of paragraph 19

Para 19: The Secretariat will take specific steps to collect information on the functioning of CCMs and to disseminate this information. Individual CCM members are free to communicate their views on design or implementation issues with other CCM colleagues or with the Secretariat, on a confidential basis if necessary, to register problems and complaints, and identify weaknesses in CCM functioning as described in the principles of the Fund. **At the same time, the Fund Portfolio Managers will ensure that this process contributes to promoting true partnership and trust among the CCM members and between the Fund Portfolio Managers and the CCMs.** While respecting confidentiality where confidentiality has been requested, portfolio managers would have the right to inform themselves on the issue through queries to other CCM members, and if necessary tasking the LFA to determine the accuracy of the complaint. **The Board requests CCMs to work closely with national authorities within the framework of the Three Ones and harmonization efforts.**

There are no material budgetary implications for this decision.

Signed 21-04-2005

Dr. Ren Minghui
Rapporteur

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Memorandum of Understanding – Stop TB

Decision Point:

The Board approves the Memorandum of Understanding with the Global Partnership to Stop TB, attached as Annex 4 to the Report of the Governance and Partnership Committee (GF/B10/7), and requests the Secretariat to provide periodic reports on cooperation between the Fund and the Global Partnership to Stop TB under the agreement.

There are no material budgetary implications for this decision.

Signed 21-04-2005 *Λ*

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat



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Commencement of the Terms of the Chair and the Vice Chair

Decision Point:

The Board amends Section 18 the Board Operating Procedures as follows:

18. Timing of Elections; Commencement of Terms

Elections of the Chair and Vice Chair shall take place at the first Board meeting of the year. In the case of a vacancy, elections to fill the vacant slot shall take place at the first Board meeting at which a vacancy exists.

The terms of office for Chair and Vice Chair shall commence upon the adjournment of the Board meeting at which the election is held except in the case of elections to fill a vacancy, where terms shall commence immediately upon election.

There are no material budgetary implications for this decision.

Signed 21-04-2005

Dr. Ren Minghui
Rapporteur

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2004 Financial Statements and Audit

Decision Point:

The Board approves the 2004 Financial Statements of the Global Fund which have been audited by Ernst & Young.

There are no material budgetary implications for this decision.

Signed 21-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
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Euro-denominated Grants and Currency Risk Management

Decision Point:

The Global Fund shall take action to minimize its exposure to currency risk through the following transitional policies that set a framework for currency risk management:

- a) hedge exposure to currency risk by matching the values¹ of USD assets with USD grant liabilities and Euro assets with Euro grant liabilities to the extent possible using available liquidity, so as to minimize any mismatch within each currency (excess liquidity after matching shall be held in USD and Euro);
- b) encourage donors to denominate promissory notes only in the grant currencies (USD and Euro);
- c) if a material currency mismatch remains after these measures, maintain a reserve against commitment authority as a cushion to absorb any potential losses and thus minimize commitments being made in excess of assets available; and
- d) encourage prospective grant recipients to provide information as to the currency in which they will submit future grant applications.

The operational implications and practices shall continue to be reviewed by the Secretariat under the guidance of the FAC to present a full recommendation to set the policy and parameters of the currency risk exposure at the Eleventh Board meeting unless insufficient experience warrants extension until the Twelfth Board meeting.

There are no material budgetary implications for this decision.

¹ The values of assets and liabilities will generally be computed as the present values of the cash flows associated with those assets and liabilities.

Signed 22-04-2005

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Terms of Reference – Technical Evaluation Reference Group (TERG)

Decision Point:

The Board approves a revision to the Technical Evaluation Reference Group (TERG) Terms of Reference (ToRs) to respond to the proposed changes in the Board Committee structure. The proposed revised ToRs are attached as Annex 8 to this report. The Board also requests that the TERG Chair present brief independent assessments on performance and status of the Global Fund monitoring and evaluation system to each meeting of the Policy and Strategy Committee and the Board.

There are no material budgetary implications for this decision.

Signed 22-04-2005

Dr. Ren Minghui
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Phase 2 Decision Process

Decision Points:

Decision Point 1

The Board acknowledges that, in line with the existing Phase 2 policy, the Secretariat may need to take more than 20 months to provide a Phase 2 recommendation to the Board. It therefore decides that in exceptional circumstances the Secretariat may extend, at no cost, the term of Phase 1 grant agreements by up to six months and decides that the Phase 2 Decision-Making Policies and Procedures document, as set out in Annex 6 to Board Document G/B10/8, shall be amended accordingly. The Secretariat shall inform the Board immediately upon taking action under this decision.

There are no material budgetary implications for this decision.

Decision Point 2:

The Board directs the Chair and Vice Chair of the Board to establish an ad-hoc task force to review the Phase 2 process and report back to the 11th Board Meeting. The task force should be comprised of members of the Board, the Technical Review Panel, the Chair of the Technical Evaluation Reference Group and the Secretariat.

There are no material budgetary implications for this decision.

Signed 22-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
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**Tenth Board Meeting
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Phase 2 Renewals

Decision Points:

Decision Point 1:

The Board decides to approve the following procedure for use, should it so decide, in processing proposals pending before it at its 10th meeting:

Interim procedure for processing proposals pending before the Board at its 10th meeting

1. The Board may decide to refer a proposal back to the CCM for further processing as a Revised Request for Continued Funding.
2. If the Board refers a proposal for further processing as a Revised Request for Continued Funding, the CCM will be provided with a summary of concerns raised and will be given one opportunity to address these and any other concerns raised during the Phase 2 process.
3. The CCM must deliver its Revised Request for Continued Funding to the Secretariat within two months of written notification of the opportunity to resubmit. The Secretariat shall review the Revised Request for Continued Funding solely for financial reasonableness, and shall pass both the submission and its financial comments to the TRP for review within one month of receipt from the CCM. The TRP shall provide a recommendation to the Board within one month of receipt from the Secretariat.
4. If the TRP recommends to discontinue funding, the recommendation shall be in the form of notification to the Board, no further funding shall be provided for the proposal and funding of the existing program shall terminate at the completion of its term.
5. If the TRP recommends to continue funding, the Board shall vote by e-mail on the TRP recommendation under its no-objection procedure. Votes must be received by the Secretariat no later than the 10th day following notification to the Board (inclusive of the day of notification).
6. If the TRP recommendation to continue funding is not approved by the Board, no further funding shall be provided for the proposal and funding of the existing program shall terminate at the completion of its term.

There are no material budgetary implications for this decision.

Signed 22-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat



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Phase 2: Honduras and Senegal

Decision Points:

Decision Point 1:

The Board decides to refer the Honduras Round 1 HIV proposal back to the CCM for further processing as a Revised Request for Continued Funding.

Decision Point 2:

The Board decides to refer the Senegal Round 1 HIV proposal back to the CCM for further processing as a Revised Request for Continued Funding.

Signed 22-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat



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**Tenth Board Meeting
Geneva, 21-22 April 2005**

Early Warning and Response System

Decision Point:

The Board decides that the Secretariat report to the next meeting of the appropriate committee regarding the implementation of the Early Warning and Response system.

There are no material budgetary implications for this decision.

Signed 22-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat



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Tenth Board Meeting
Geneva, 21-22 April 2005

Committee Restructuring

Decision Points:

Decision Point 1

The Board decides to reorganize the Board Committees by canceling the GPC, MEFA, PFSC, PMPC, RMCC and constituting the following three committees:

1. The Policy and Strategy Committee (PSC)
2. The Portfolio Committee (PC)
3. The Finance and Audit Committee (FAC)

There are no material budgetary implications for this decision.

Decision Point 2:

The Board adopts Option 1 with regard to Committee structure and Membership.

There are no material budgetary implications for this decision.

Decision Point 3:

The Board adopts the Committee Rules and Procedures in GF/B10/11, Annex 3, as amended by the Board at its 10th meeting.

The Board adopts the Terms of Reference in GF/B10/11, Annex 2, as amended by the Board at its 10th meeting.

There are no material budgetary implications for this decision.

Decision Point 4:

The Board decides to amend Section 23 and Section 25 of the Board Operating Procedures as follows:

23. Size and Membership of Committees

~~Committees will have a maximum of seventeen members.~~ The Board Chair and Vice Chair, in consultation with the committee chair, ~~and the Executive Director,~~ will propose the constituencies to be included on each committee, based on applications made by constituencies for committee seats, for full Board approval. There will be no more than one member per constituency on any single committee. Each constituency may participate in a maximum of ~~three~~two committees. Membership on the Ethics Committee shall not count toward this ~~three~~two-committee limit, nor shall membership on other ad-hoc committees

where the Board specifically provides that membership shall not apply toward this limit. Where demand for committee seats exceeds the maximum, priority will be given to ensuring balance.

Constituencies will designate an individual to represent them on a given committee. While it is preferable that constituencies choose Board Members or Alternate Members to serve on committees, they are free to choose any individual to represent them. ~~While substitutes should be discouraged, committee members will be able to send substitutes as an exception without the approval of the committee chair. Only committee members (or their substitute) will attend committee meetings, unless other individuals are invited to do so by the committee chair.~~ Because committee chairs must chair the committee meeting without prejudice, they may bring an additional representative of the constituency to participate as a member of the committee. Where considered necessary by the committee chair, the vice chair of a particular committee may be permitted to bring an additional representative of the constituency to participate as a member of the committee.

25. Ethics Committee

The Ethics Committee shall be a permanent committee of the Board. The Ethics Committee shall consist of four members. ~~The Board Vice Chair shall be a member of, and shall Chair, the Ethics Committee.~~

The Ethics Committee shall operate under these Board Operating Procedures, the committee guidelines of the Board, and the Ethics Committee procedures and rules, as may be adopted and amended from time to time by the Board. In circumstances where these Ethics Committee procedures and rules conflict with these Board Operating Procedures or the committee guidelines of the Board, the Ethics Committee procedures shall govern.

There are no material budgetary implications for this decision

Signed 22-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
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Replenishment Conference

Decision Point:

The Board notes with concern the current shortfall regarding funds availability for Round 5. The Board calls upon participants of the Replenishment Conference, and all other potential donors, to take urgent action to ensure that Round 5 is fully funded.

Signed 22-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat



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**Tenth Board Meeting
Geneva, 21-22 April 2005**

Annual Report 2004

Decision Point:

The Board approves the draft Annual Report for 2004.

There are no material budgetary implications for this decision.

Signed 22-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat



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**Tenth Board Meeting
Geneva, 21-22 April 2005**

Chair's Budget

Decision Point:

The Board approves the budget for the Office of the Chair as presented at the 10th Board Meeting.

The budgetary implications for this decision point are US\$192,000 for 2005.

Signed 22-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat



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Office of the Inspector General

Decision Point:

The Board requests the Finance & Audit Committee to develop, and present for approval by email prior to the 11th Board Meeting, terms of reference and a plan for the establishment of a Global Fund Office of the Inspector General, and recommend a candidate for the position of Inspector General for appointment by the Board at the 11th Board Meeting.

Signed 22-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat



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**Tenth Board Meeting
Geneva, 21-22 April 2005**

Outgoing Chair and Vice Chair of the Board

Decision Point:

We, the Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria, wish to express our heartfelt gratitude and admiration for the remarkable contribution of our leader, Tommy Thompson, to the improvement of this Board and the cause of global health.

We, the Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria, in recognition of the passionate and able work for health and justice of our Vice Chair, H el ene Rossert-Blavier, express our appreciation for her leadership in the Global Fund and wish her well in her personal struggle against disease.

Signed 22-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat



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Tenth Board Meeting
Geneva, 21-22 April 2005

Quality Assurance of Limited and Single Source Pharmaceutical Products

Decision Point:

The Board decides to change its policy on quality assurance approved at the Third Board Meeting on "option (c)" by replacing the decision on Agenda Item 10(B)(4)(b)(c) with the following and eliminating the last sentence of that decision on the "option (c)" time limit:

- Once there are two or more equivalent pharmaceutical products that meet the standards in Option (a) or Option (b), then Option (c) is not applicable. Contracts entered into on or before April 30, 2005 with suppliers for products that qualified for purchase under Option (c) may be honoured by the Principal Recipient until they expire. No new purchase contracts or contract extensions for such products will be allowed after April 30, 2005.
- If the Principal Recipient determines that there is only one or no equivalent pharmaceutical product that meets the standards in Option (a) or Option (b) OR if the Principal Recipient determines that the products that meet these standards are unavailable² and represents the same to the Global Fund Secretariat, and the Secretariat does not object, then Global Fund resources may be used to procure other equivalent pharmaceutical products, provided that the products are selected in accordance with the following, in order of priority:
 - (i) the manufacturer has submitted an application for product approval to the WHO Prequalification Program or a stringent regulatory authority AND is manufactured at a site that is compliant with standards of Good Manufacturing Practice (GMP), as certified after inspection by the WHO or a stringent regulatory authority;
 - (ii) the product is manufactured at a GMP-compliant manufacturing site as certified after inspection by the WHO or a stringent regulatory authority.

A Principal Recipient shall inform the Global Fund Secretariat if it procures under provisions (i) or (ii), after having followed the above process. In turn, the Secretariat, working with technical partners, shall contract an independent third-party to conduct random quality analysis of products being procured

² 'Unavailable' is defined as: inability of the manufacturer to supply a sufficient quantity of finished product within 90 days from date of order.

according to these criteria to ensure their quality in the absence of the Option (a) or Option (b) standard.

In the event that (a) the submitted application for product approval is no longer under consideration; or (b) the independent third party finds the quality of the product to be unacceptable, then the Principal Recipient shall promptly terminate the contract with the supplying manufacturer.

- In all cases, products purchased with Global Fund resources are subject to the monitoring product quality standards prescribed by the Fund as specified in Section 6 of the Report of the Third Board Meeting.
- Procurement of products according to criteria (i) or (ii) should be time limited and Principal Recipients should defer to Options (a) or (b) as soon as possible.

The Secretariat will monitor implementation of this decision and report to the Board at the Fourteenth Board meeting.

The budgetary implications are in the amount of up to US\$450,000 per year for possible staffing and contracting costs associated with implementation of the decision above. The accuracy of this estimate and the need for additional funds beyond the approved total 2005 budget will be reviewed by the Finance and Audit Committee at its next meeting.

Signed 22-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat



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**Tenth Board Meeting
Geneva, 21-22 April 2005**

Title of Chair and Vice-Chair (Emeritus)

Decision Point:

Secretary Tommy Thompson and Dr. Hélène Rossert-Blavier, Dr. Chrispus Kiyonga, Mr. Seiji Morimoto and Dr. Suwit Wibulpolprasert are entitled to use the title of Chair and Vice-Chair (Emeritus), respectively, when they deem it necessary to engage in tasks for promotion of the cause of the Global Fund.

Signed 22-04-2005

Dr. Ren Minghui
Rapporteur

Dianne Stewart
Secretariat