

Report of the Policy and Strategy Committee

Board presentation

Amb. Lennarth Hjelmåker, PSC Chair

Agenda

Rolling Continuation Channel – Eligibility for Accelerated Implementation **Decision**

Rolling Continuation Channel – Architectural Issues **Information/Decision**

Rolling Continuation Channel – Wave 1 **Decision**

Grant Consolidation **Decision**

Health Systems Strengthening **Decision**

Affordable Medicines Facility – malaria **Decision**

Constituency Guidelines **Decision**

Partnership Forum **Decision**

Key Performance Indicators **Decision**

National Strategy Applications **Board Input**

RCC – Eligibility for Accelerated Implementation Context

Previous decision

- At its Fifteenth Meeting the Board decided that grants from the **fourth and subsequent Rounds** that have a **term of less than five years** shall be **ineligible** for the Rolling Continuation Channel (RCC)

Issue

- However this decision did not take into consideration situations in which a Principal Recipient (PR) has **accelerated implementation** of a grant, leading to a **voluntary reduction of the grant term**

RCC – Eligibility for Accelerated Implementation

PSC discussion and recommendation

Discussion

- Excluding such grants from consideration would equate to **penalizing the Country Coordinating Mechanism and PR for good performance** and thus would be **inconsistent with the original decision on RCC**

PSC recommendation

- Allow **well-performing grants** that originated from a five-year proposal, but which have, **for positive reasons**, implemented activities over a **shorter term**, to **still be eligible** for the RCC

RCC – Eligibility for Accelerated Implementation

Recommended decision point

Decision Point 1: Eligibility for Qualification for the Rolling Continuation Channel in Cases of Accelerated Implementation

The Board decides that the Secretariat may provide an exception from the decision that grants from the fourth and subsequent Rounds that have a term of less than five years are ineligible for qualification for the Rolling Continuation Channel (“RCC”) (GF/B15/DP18) in cases where a Country Coordinating Mechanism (“CCM”)¹ has applied for a grant of five years and the grant term is reduced at the request of the CCM due to accelerated implementation of the program funded by the grant.

This decision does not have material budgetary implications.

1: The reference to a Country Coordinating Mechanism (“CCM”) includes – in addition to a Country Coordinating Mechanism – a Sub-National CCM, and a Regional Coordinating Mechanism, and in the case of a non-CCM proposal, a grant applicant.

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RCC – Architectural Issues

Context and PSC discussion

Context

- **Challenges** resulting from the current RCC architecture

Discussion items

- Ability of a “**quarterly application schedule**” to both **address the RCC architectural challenges** and **enhance the Global Fund’s alignment and harmonization efforts**
- **Interim measure** proposed (bridge funding) to **address the RCC architectural challenges** while a longer-term solution is further analyzed and designed

RCC – Architectural Issues

PSC discussion outcomes and recommendation

Discussion outcomes

- PSC requested the Secretariat to **conduct further analysis and propose a design for a quarterly application schedule** (and/or other architectural options), taking into account:
 - The ability of the proposed design to further support alignment and harmonization;
 - Any relevant recommendations/outcomes of the TERG Five-Year Evaluation and the ongoing ED’s* Management Review; and
 - The results from initial RCC waves, and TRP feedback on those results
- **PSC will consider the outcomes** of this detailed analysis at its meeting in the first quarter of 2008 **and make a recommendation for decision at the Seventeenth Board Meeting**

Recommendation

- PSC recommends a decision point addressing **terms and conditions of interim bridge funding** for RCC “non-qualifiers,” recognizing that longer-term architectural improvements will not be implemented before 2009

* Executive Director

RCC – Architectural Issues**Recommended decision point (1/2)****Decision Point 2: Use of Bridge Funding as a Short-Term Measure to Address Architectural Limitations of the Rolling Continuation Channel**

The Board takes note of the challenges in operationalizing the Rolling Continuation Channel (“RCC”)¹ as set out in the Policy and Strategy Committee document GF/PSC8/05. The Board further notes that the Policy and Strategy Committee has requested the Secretariat to analyze further and develop a Quarterly Application Schedule architecture. It is expected that such long-term architecture changes will be presented to the Board for decision at the Seventeenth Board Meeting.

As an interim measure to address the specific challenges faced in operationalizing the RCC, the Board approves the procedure for providing additional funding for affected well-performing grants for a time-limited period as set out in Annex 1 (entitled “Interim Bridge Funding for Expiring Grants”) to the Report of the Policy and Strategy Committee (GF/B16/6).

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RCC – Architectural Issues

Recommended decision point (2/2)

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This interim measure shall apply for relevant grants that fail to qualify for the RCC during the period from initial implementation of the RCC until the adoption by the Board, and full operationalization by the Secretariat, of long-term architectural changes which will address such RCC implementation challenges and that would otherwise experience a funding gap as a direct result of such failure to qualify for the RCC.

The budgetary implications of this decision point in 2008 amount to US\$ 125,000, which includes an allocation for 0.3 of a staff position.

1: Adopted at the Fourteenth Board Meeting (GF/B14/DP9)



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Rolling Continuation Channel – Wave 1

Outcome of Wave 1

- Summary of TRP recommendations

RCC Applications		TRP recommended			
Number	6 Year Upper Ceiling	Number	%	6 Year Upper Ceiling	%
10	\$549m	5	50	\$207m	38

- The Board vote resulted in approval of the five recommended proposals
- However, in total 13 constituencies expressed concerns and called for a deferral of decision on “Category 3” applications

Rolling Continuation Channel – Wave 1

Intent of RCC policy

- That RCC should be a more streamlined process to support strong grants. *“The proposal submission and review process shall be as light as possible, without sacrificing technical rigor”*.
- However, TRP was directed that *“...proposals shall undergo a level of technical review as rigorous as that for the rounds-based channel”*.
- The TRP in turn refers to this language and *“ensured that it followed the decision of the Board”* and that *“proposals were considered as a request for new funding, rather than proposals with pre-confirmed access to funding”*.
- There was no intention to provide ‘pre-confirmed’ funding. The need for an independent TRP review is also acknowledged. However unlikely that the Board expected RCC proposals to be treated as requests for new funding.

➡ Original intent of RCC may not be reflected in the policy and in its implementation

➡ Board constituency reaction in Wave 1 vote underlines this concern



Rolling Continuation Channel – Wave 1

Broader context

- The Secretariat recently briefed the PSC on architecture challenges facing RCC
- The PSC mandated the Secretariat to recommend changes for consideration at the next PSC meeting. This analysis will look more widely at all funding channels
 - ➔ Implementing the outcomes from this analysis will take time. It will not benefit Wave 1 or the RCC waves in 2008
- Wave 1 has exposed concerns that warrant a more immediate response, that will help:
 - mitigate concerns relating to Wave 1
 - give clarity to forthcoming RCC waves
 - help restore confidence amongst would be RCC applicants

Rolling Continuation Channel – Wave 1

PSC-recommended policy refinements

Refinements are threefold:

1. Allow rejected RCC applicants to reapply through next RCC wave

➔ Presently unable to apply through next RCC wave, must await next round

2. Provide clarification of intent of TRP review

➔ TRP process defined to differentiate between RCC applicant and new grant, without denying need for independence

3. Allow appropriate bridge funding

➔ Currently no facility for bridge funding

PSC recommends that the option to resubmit is available to Wave 1

Rolling Continuation Channel – Wave 1

Recommended decision point (1/3)

Decision Point: Revision of the Rolling Continuation Channel for Strongly-performing Grants

The Board refers to its decision at the Fourteenth Board Meeting (GF/B14/DP7) to establish the Rolling Continuation Channel as an alternative funding channel for strongly-performing grants that are reaching the end of their funding terms (“expiring grants”).

As an interim measure, pending the implementation of the outcomes of a review of the RCC architecture, the Board:

1. Decides to revise the Rolling Continuation Channel policy and procedures in regard to the role of the TRP and the avenues for recourse available to a CCM whose proposal is not recommended for funding after the first submission of a Rolling Continuation Channel proposal by:
 - a. amending paragraph 12 of the decision point (GF/B14/DP9) entitled ‘Establishment of a Rolling Continuation Channel’ (“RCC decision point”) as follows:

12. All rolling continuation proposals shall undergo a level of an independent technical review by the TRP. Such review shall ensure that only technically appropriate interventions are funded, with consideration to the fact that the proposal is intended to ensure continued funding for expiring grants that have met the qualification requirements set out in paragraph 3 above, as rigorous as that for the rounds-based channel. This review shall be performed by the TRP.
 - b. amending paragraphs 7 and 8 of the Board Decision-Making Procedure for the Rolling Continuation Channel (GF/B15/DP19) as follows:



Rolling Continuation Channel – Wave 1

Recommended decision point (2/3)

7. The effect of a Board decision to approve a TRP recommendation shall be as follows:

a. If the Board approves the a TRP recommendations to fund a RCC proposal, that decision will constitute an approval of the entire term of each such RCC proposal recommended for funding by the TRP, with a financial commitment for the initial three (3) years of the RCC proposal, with funding for the second phase subject to the approval of the Board based on a mid-term review;

b. If, after an initial submission of a given proposal under the RCC, the Board approves a TRP recommendation that the CCM resubmit a revised version of this proposal in the next wave of RCC proposals, the CCM shall have the option to:

i. revise its proposal based on the issues identified by the TRP during the initial review of the proposal, and submit the revised proposal in the next wave of Rolling Continuation Channel proposals (“revised proposal”); or

ii. file an appeal as described in paragraph c. below;

If the CCM submits a revised proposal, the procedure described in paragraphs 2-6 above will be followed.

c. If the Board approves a TRP recommendation not to fund a proposal, the CCM may file an appeal of the decision not to approve the proposal in accordance with the Global Fund’s Rules and Procedures for Appeals as the final avenue for recourse for the unsuccessful RCC proposal.

8. If the Board decides not to approve a TRP recommendation to fund, the decision making process that applies following a Board objection to a TRP funding recommendation under the Phase 2 Decision-Making Policies and Procedures, as amended from time to time, will be followed. If the Board objects to a TRP recommendation not to fund, then the matter will be referred to the Board at its next Board meeting.



Rolling Continuation Channel – Wave 1

Recommended decision point (3/3)

- Amends the description of 'Category 3' recommended proposals set out in Part 2 of Attachment 1 to the Terms of Reference of the Technical Review Panel by splitting 'Category 3' into two parts as follows:

Category 3a: (Applicable only upon initial submission) Not recommended for funding based on technical merit but strongly encouraged to resubmit a revised proposal, taking into account the issues raised by the TRP, for consideration in the next wave of Rolling Continuation Channel proposals.

Category 3b: (Applicable only upon re-submission) Not recommended for funding based on technical merit but encouraged to resubmit through the Rounds-Based Channel following major revision.

- Approves all 'Category 3' recommendations in the Wave 1 TRP Report as if such recommendations were designated 'Category 3a' and requests the Secretariat to notify the relevant CCMs promptly of this decision and the option to resubmit in time for the third wave of RCC proposals.
- Delegates authority to the Secretariat to modify the Rolling Continuation Channel application forms and guidelines to give effect to these modified principles.
- Approves the procedure for providing additional funding ("Rolling Continuation Channel Bridge Funding") for expiring grants as set out in Attachment 1 of Annex 3 to GF/B16/6.

This decision does not have material budgetary implications.

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Grant Consolidation Context

At its Fourteenth Meeting the **Board authorized a Grant Consolidation Pilot Project** to:

- **Consolidate** grants where there are multiple grants implemented by the same PR for the same proposal component;
- **Obtain useful experience** that could inform the development of policies for Grant Consolidation; and
- **Streamline grant management** for PRs and the Secretariat, as well as enable **increased alignment** with national plans, strategies and systems



Grant Consolidation

PSC discussion items

- i. A **status update** on the Grant Consolidation Pilot Project;
- ii. A summary of the **key lessons** learned from it thus far;
- iii. An analysis of the **added value and feasibility** of grant consolidation under different circumstances; and
- iv. A proposal for a **gradual roll-out** of grant consolidation across the Global Fund portfolio, with relevant policy changes and implications

Grant Consolidation

PSC recommendations

- i. Reaffirm the Board's commitment to achieving **simplification** and **cost-efficiency** in managing grants, and **alignment** with country systems, while maintaining adherence to the principle of **performance-based funding**
- ii. Delegate **authority** to the Secretariat to:
 - a) **Consolidate existing and new grants** on a voluntary basis where consistent with the above principles;
 - b) **Exercise flexibility in the application of existing policies** and, in limited cases where appropriate, approve bridge funding to allow alignment of end dates of grants that are being consolidated (the amount of such bridge funding must be reported to the Board); and
 - c) Request the PC to **ensure that application forms and guidelines allow for the voluntary consolidation** of grants at the application preparation stage.

Grant Consolidation**Recommended decision (amended) (1/2)****Decision Point 3: Roll-Out of Grant Consolidation**

The Board refers to its decision¹ to authorize the Secretariat to modify the application of existing policies to the extent necessary to consolidate grants on a pilot basis. Noting the update on the Secretariat's progress set out in the Policy and Strategy Committee document GF/PSC8/06, the Board reaffirms its commitment to achieving simplification and cost-efficiency in managing grants, and alignment with country systems, while maintaining adherence to the principle of performance-based funding.

The Board accordingly delegates to the Secretariat the authority to:

1. work with countries, on a voluntary basis, to consolidate existing and new grants where doing so would be consistent with the principles listed above;
2. exercise flexibility in the application of existing policies, including but not limited to the Phase 2 Decision-Making and the Rolling Continuation Channel policies and procedures², where necessary, revising requirements that could inhibit grant consolidation; and

...



Grant Consolidation

Recommended decision (amended) (2/2)

...

3. approve bridge funding, in limited cases and for a period of no longer than nine months, by employing Phase 2 funds not yet approved by the Board, where necessary to allow for the alignment of end dates of grants that are being consolidated, provided that the amount of such bridge funding is reported to the Board on each occasion that it is approved.

The Board requests the Portfolio Committee to ensure that application forms and guidelines allow for the submission of consolidated applications through the Rounds-Based Channel and Rolling Continuation Channel.

The budgetary implications of this decision point in 2008 are estimated to be up to US\$ 1.2 million to fund up to 4.5 full-time equivalent Global Fund staff to prepare for consolidation and other administrative costs to support country processes.

1: GF/B14/DP14

2: Phase 2 Decision-Making Policies and Procedures (GF/B15/DP48) and the Board Decision entitled "Establishment of the Rolling Continuation Channel" (GF/B14/DP9), as amended from time to time.



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Health Systems Strengthening Context

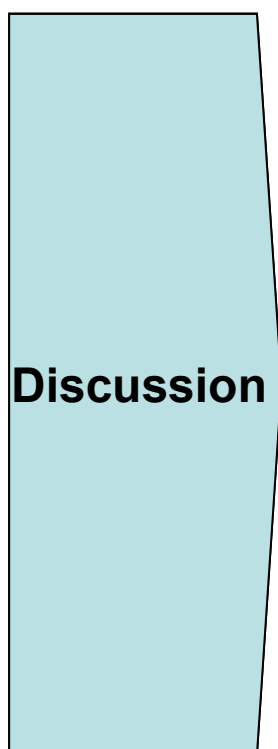
At its Fifteenth Meeting the Board **requested the PSC** to consider the following **with respect to the Global Fund's support of health systems** strengthening (HSS) to improve HIV/AIDS, tuberculosis and malaria (ATM) outcomes:

- i. The **possible use and nature of three “funding parameters”** for HSS; and
- ii. The question of **whether or not** to establish a **separate HSS component**

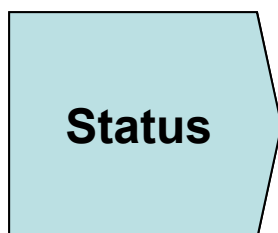


Health Systems Strengthening

PSC discussion and recommendation



- PSC discussed and **reaffirmed the importance of Global Fund financing for HSS** to help health systems overcome constraints to the achievement of improved ATM outcomes – in such a way that **system-wide effects** are achieved and that other programs benefit
- PSC **supported** the Secretariat's recommendations for:
 - The parameters for allowable HSS activities;
 - Two new supportive recommendations/requirements for HSS funding; and
 - The approach to HSS funding ceilings and floors



- PSC has developed a compromise decision point



Health Systems Strengthening

Draft decision point (1/4)

Decision Point 4: Strategic Approach to Health Systems Strengthening

The Board refers to the principles set forth in its decision GF/B15/DP6 and reaffirms that the Global Fund should continue to support the strengthening of public, private and community health systems by investing in activities that help health systems overcome constraints to the achievement of improved outcomes in reducing the burden of HIV/AIDS, tuberculosis and malaria (“ATM”).

The Board decides that the Global Fund shall provide funding for health systems strengthening (“HSS”) actions within the overall framework of funding technically sound proposals focused on the three diseases and that such funding shall be based on the following principles:

1. The Global Fund shall allow broad flexibility regarding HSS actions eligible for funding, such that they can contribute to system-wide effects and other programs can benefit. With this principle in mind, the Global Fund shall develop guidance with few prescriptions for applications for HSS funding, which may take the form of the following:
 - a. the specification of categories of HSS actions that the Global Fund recommends applicants consider when developing applications for funding;

...



Health Systems Strengthening

Draft decision point (2/4)

...

- b. the specification of principles to guide applicants in deciding which categories of HSS actions to apply for; and
 - c. the specification of any category of HSS actions that may not be financed by the Global Fund.
2. The Global Fund shall encourage applicants, wherever possible, to integrate requests for funding for HSS actions within the relevant disease component(s). Such HSS actions will be assessed by the Technical Review Panel (“TRP”) as part of its review of that disease component.
3. Recognizing that some HSS actions (“cross-cutting HSS actions”) may significantly benefit more than one disease, the Global Fund shall allow applicants to request funding for such HSS actions by completing a distinct but complementary section (a “cross-cutting HSS section”) within a disease component, provided that:
 - a. An application shall not contain more than one cross-cutting HSS section.
 - b. Where cross-cutting HSS actions are proposed, the applicant shall articulate how they address identified health systems constraints to the achievement of improved ATM outcomes.

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Health Systems Strengthening

Draft decision point (3/4)

...

4. In reviewing a disease component which contains a cross-cutting HSS section, the TRP may recommend for funding either:
 - a. The entire disease component, including the cross-cutting HSS section;
 - b. The disease component excluding the cross-cutting HSS section; or
 - c. Only the cross-cutting HSS section if the interventions in that section materially contribute to overcoming health systems constraints to improved ATM outcomes.
5. The Global Fund shall also:
 - a. Recommend that proposals containing material HSS actions be based on the results of a recent assessment (the coverage of which need not be limited to ATM) identifying health systems constraints to the achievement of improved outcomes in reducing the burden of HIV/AIDS, tuberculosis and malaria; and
 - b. Recommend that applications provide evidence of the involvement of relevant HSS stakeholders in the Country Coordinating Mechanism – including at least one non-government in-country representative with a focus on HSS and one government representative with responsibility for HSS planning.

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Health Systems Strengthening

Draft decision point (4/4)

...

The Board requests the Portfolio Committee to modify future application forms and guidelines (including for the Rolling Continuation Channel), effective from 1 March 2008, to incorporate the above principles and propose for approval at the Seventeenth Board Meeting any modifications to the Terms of Reference of the TRP (including with respect to the composition of the TRP) that are required in light of the strategic approach reflected in this decision point .

The Board requests the Secretariat to provide to the TRP information on the principles that are set forth in this decision. The Board also requests the Secretariat to communicate clearly, working closely with relevant partners, to country stakeholders the Global Fund's amended strategic approach to HSS – including the flexibilities inherent within it.

The budgetary implications of this decision point in 2008 amount to US\$ 235,000.



Health Systems Strengthening

Draft decision point (4/4) - amendment

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The Board requests the Portfolio Committee to modify future application forms and guidelines (including for the Rolling Continuation Channel), effective from 1 March 2008, to incorporate the above principles and propose for approval at the Seventeenth Board Meeting any modifications to the Terms of Reference of the TRP (including with respect to the composition of the TRP) that are required in light of the strategic approach reflected in this decision point.

The Board requests the Secretariat to provide to the TRP information on the principles that are set forth in this decision. The Board also requests the Secretariat to communicate clearly, working closely with relevant partners, to country stakeholders the Global Fund's amended strategic approach to HSS – including the flexibilities inherent within it.

The Board requests the Secretariat and the TRP to review the results of the Round 8 proposals with regard to HSS actions, and to report to the Eighteenth Board Meeting on the impact of this decision on the application and review process. The report should discuss the quality of proposals that include HSS actions, the proportion recommended by the TRP for approval, and the extent to which applicants have articulated how cross-cutting HSS actions address identified health systems constraints to the achievement of improved ATM outcomes.

The budgetary implications of this decision point in 2008 amount to US\$ 235,000.

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Affordable Medicines Facility – malaria

Context

Request and key objective

- Request by the Roll Back Malaria (RBM) Partnership to **consider hosting the Affordable Medicines Facility - malaria (AMFm)**, previously called the “Global ACT Subsidy”
- The objective of the AMFm is to **make effective antimalarial drugs (ACTs) accessible and affordable** to the vast majority of malaria patients

Back-ground

- At the moment, **only 10 million of the estimated 400 million anti-malarials** distributed through the private sector are the WHO-recommended ACTs (compared to 90 million of a total of 150 million treatments distributed through the public sector)
- The principal barrier for a larger uptake of ACTs is their **relatively high price in low income settings**



Affordable Medicines Facility – malaria

Concept

- Based on recommendations by the Institute of Medicine, the RBM Partnership developed the concept of an **ACT buyer subsidy** with the objective of **increasing overall use of ACTs** and driving monotherapies and ineffective drugs from the market
- In the proposed design, the AMFm would provide **co-payments to eligible first-line buyers** of ACTs to **significantly reduce the retail price** of ACTs
- The **core activities** of the AMFm would be:
 - price negotiations and co-payments for ACTs and their distribution;
 - setting standards for products, suppliers, and buyers, and establishing country preparedness requirements; and
 - coordinating and financing supporting interventions for the safe roll-out of ACTs



Affordable Medicines Facility – malaria

PSC discussion

- PSC reviewed and discussed the AMFm and the RBM Partnership's request expressed in a letter to the Global Fund **to consider hosting the AMFm as a business line within the Global Fund**
- Secretariat provided an analysis of the **rationale** for such a potential hosting arrangement, and of **synergies** and **open issues** in integrating the AMFm and Global Fund architecture
- PSC expressed its **support for the AMFm** as a way to rapidly increase ACT treatment by accessing private sector distribution channels, and **in principle for the idea of the Global Fund hosting the AMFm**
- In order to address the **complexities** involved in implementing the AMFm within the Global Fund model prior to a final decision by the Board in April, the PSC requested that a **reference group be established** to provide input into the Secretariat's work

Affordable Medicines Facility – malaria

PSC recommendation

Based on these discussions the PSC recommends to the Board to:

- i. **Acknowledge the letter from the RBM Partnership**, dated 16 August 2007 requesting the Global Fund to consider hosting the AMFm;
- ii. **Support in principle the objectives and principles of AMFm**, and the **idea of hosting the AMFm** as a Global Fund business line, based on the complementarity and synergies of the Global Fund's objectives and business model with many design elements of the AMFm; and
- iii. Request the Secretariat, under the oversight of the PSC, to **develop and present to the Board** for final decision at its Seventeenth Meeting a **business model and plan for hosting the AMFm within the Global Fund**, taking into account operational and architectural considerations and consultations with the RBM Taskforce, UNITAID, key recipient countries and other relevant stakeholders

*Affordable Medicines Facility – malaria***Recommended decision point****Decision Point 5: Hosting of the Affordable Medicines Facility - malaria**

The Board acknowledges the letter from the Roll Back Malaria (“RBM”) Partnership, dated August 16, 2007 requesting the Global Fund to consider hosting the Affordable Medicines Facility - malaria (“AMFm”).

Based on the information provided to date, the Board supports in principle:

- the objectives and principles of AMFm; and
- the idea of hosting the AMFm as a Global Fund business line, based on the complementarity and synergies of the Global Fund’s objectives and business model with many design elements of the AMFm.

To facilitate a final Board decision on hosting the AMFm, the Board requests the Secretariat, under the oversight of the PSC, to develop and present to the Board at its Seventeenth Meeting a business model and plan for hosting the AMFm within the Global Fund, taking into account operational and architectural considerations and consultations with the RBM Taskforce, UNITAID, key recipient countries and other relevant stakeholders.

The budgetary implications of this decision point in 2008 amount to US\$ 675,000, which includes an allocation for 2 staff positions.



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Constituency Guidelines

PSC discussion and outcomes

Discussion

- PSC discussed an **updated version of the constituency guidelines** which are intended to **provide support to the Global Fund Board constituencies** in the (s)election of a Board Member, Alternate and Focal Point, as well as information on the composition of Board delegations, engagement at the committee level and best-practice examples of constituency communication mechanisms

Outcomes

- PSC welcomed the **much more comprehensive approach** and noted the **vital importance of good constituency functioning** to the credibility and quality of the governance system
- PSC agreed that the Secretariat **should provide increased support to constituencies** and noted that costs for this would not exceed US\$ 100,000, with only about US\$ 40,000 being a recurring cost



Constituency Guidelines

Recommended decision point

Decision Point 6: Approval of Guidelines on Constituency Processes

The Board approves the Guidelines on Constituency Processes, as detailed in Annex 2 of paper GF/B16/6, and requests that Board Members, Alternate Board Members and Focal Points, along with the Secretariat, ensure these guidelines are shared widely within their respective constituencies, and used to guide and strengthen internal constituency processes.

The budgetary implications of this decision point in 2008 amount to US\$ 96,000 which includes an allocation for 2 short-term staff positions.



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Partnership Forum

PSC discussion and recommendation

Discussion

- PSC discussed a status update regarding the planning and preparation of the Partnership Forum (PF) 2008

Outcomes

- PSC welcomed Shaun Mellors (Communities) and Pierre Blais (Canada) as Chair and Vice Chair of the Partnership Forum Steering Committee
- PSC recommends to alter the By-laws to allow for the PF to be held every two years, at any time during even calendar years

Partnership Forum

Recommended decision point

Decision Point 7: Timing of the Partnership Forum

The Board amends the first sentence of Article 6.3 of the By-laws as follows:

“The Partnership Forum will meet biennially, at any time during even calendar years ~~at least once every two years.~~”

This decision does not have material budgetary implications.



Agenda

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Rolling Continuation Channel – Architectural Issues	<u>Information/Decision</u>
Rolling Continuation Channel – Wave 1	<u>Decision</u>
Grant Consolidation	<u>Decision</u>
Health Systems Strengthening	<u>Decision</u>
Affordable Medicines Facility – malaria	<u>Decision</u>
Constituency Guidelines	<u>Decision</u>
Partnership Forum	<u>Decision</u>
Key Performance Indicators	<u>Decision</u>
National Strategy Applications	<u>Board Input</u>

Key Performance Indicators

PSC discussion and outcomes

Discussion

- **Mid-year review** of progress towards reaching the 2007 corporate Key Performance Indicators (KPIs) for the Global Fund
- A number of **anticipated revisions** to the KPIs for 2008

Outcomes

- PSC underlined that the **KPIs measure the Global Fund's overall performance** (complemented with Secretariat-level management indicators) and constitute part of the criteria used for the Executive Director's evaluation
- PSC also stated that the revised KPIs **need to cover existing gaps** such as the involvement of civil society
- PSC noted that with the implementation of the Global Fund's strategy still in its early stages and the results of the management review and Study Area 1 of the Five-Year Evaluation due in the last quarter of 2007, **it was premature to approve the 2008 KPIs** at the Sixteenth Board Meeting



Key Performance Indicators

PSC recommendation

Recommendations

- PSC recommends that:
 - as a **one-off exception** to the KPI development process, the KPIs for 2008 be set at the PSC's first meeting in 2008
 - the KPI development process be amended **to delegate authority to the PSC** not only to develop but also **to approve the KPIs for each year**. The PSC will continue to report to the Board on approved KPIs and on its assessment of results against KPIs



Key Performance Indicators

Recommended decision point

Decision Point 8: Amendment of Assessment Process for Key Performance Indicators

The Board amends the Key Performance Indicator ("KPI") assessment process approved in GF/B15/DP34 as follows:

- a) KPIs for the following year shall be developed and approved by the Policy and Strategy Committee ("PSC"). The PSC shall present the approved KPIs at the last Board meeting of each calendar year.
- b) KPIs for 2008 shall exceptionally be reviewed at the PSC's meeting in the first quarter of 2008.

All other requirements and timelines set forth in decision GF/B15/DP34 remain unchanged. The PSC shall accordingly assess results achieved against KPIs during the previous year and report on them at the first Board meeting of each calendar year.

This decision does not have material budgetary implications.



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National Strategy Applications

Previous Board decision

- Board decided in principle to establish a “Modified Application Process for Supporting Country Programs”, called “**National Strategy Applications**” (NSAs), aimed at **increasing aid effectiveness** by having partners **mobilize around a single common agenda** – the development, financing and implementation of robust national strategies
- NSAs to be **requests for funding consisting of an existing national strategy** – which has been **validated by an independent review mechanism** – together with minimal additional information
- NSAs procedure should be based on **commonly-agreed validation criteria** and a **commonly-agreed set of conditions for the validation approach**
- Board called “**upon all partners to develop a shared certification approach** for national strategies and to allow, where relevant, the use of certified strategies as the basis for applications for funding.”

National Strategy Applications

PSC discussion outcomes (1/2)

Supported elements

PSC expressed support for a number of **fundamental principles** related to the validation of national strategies:

- The **criteria** proposed by the Secretariat (with some suggested amendments) against which to perform the validation of national strategies;
- The **conditions** proposed by the Secretariat to ensure the validation approach is **adequate and sufficiently credible** for all stakeholders, including for the purpose of underpinning funding decisions; and
- The principle of a **validation approach** that **combines a country-led self-assessment with an external, independent validation element.**



National Strategy Applications

PSC discussion outcomes (2/2)

The PSC

Joint partner work

- reaffirmed the Board's call upon all partners to develop a **shared validation approach**
- recognized this requires **joint work among partners**
- stressed the **urgency of partners working together** – with **clear leadership and accountability** – to develop and set up such a joint validation approach

Next steps

- **recognized recent developments and initiatives** (in particular the “H8 process” and the International Health Partnership [IHP])
- noted that these could offer an **effective platform for discussion and collaboration** towards **concrete outputs** within an agreed **framework of accountability**
- **acknowledged the discussions** on this topic in other governance bodies, in particular the **PCB¹ of UNAIDS**
- highlighted the need for the ED² and PSC members who are part of the H8 process to **stress to the H8 the urgency of moving the NSA agenda forward**
- stated that the ED² (or his representative(s)) and other partners should be **guided by the PSC's recommendations** (criteria and conditions for validation)

1: Programme Coordinating Board

2: Executive Director