



Investing in our future

**The Global Fund**

To Fight AIDS, Tuberculosis and Malaria

**Seventeenth Board Meeting  
Geneva, 28 – 29 April 2008**

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**GF/B17/3  
Information**

## **REPORT OF THE EXECUTIVE DIRECTOR**

### **INTRODUCTION:**

1. 2008 is a very exciting year for the Global Fund.
2. It is the year in which we learn from our experiences through the Five Year evaluation and more effectively measure the Global Fund's impact. Already, the health of hundreds of thousands of people has improved because of antiretroviral therapy, with early and increasing evidence of reduced mortality. TB burden and mortality have dropped in several high burden countries. Malaria cases and child mortality have been shown to dramatically fall when comprehensive programs with strong prevention components are taken to scale.
3. This is also a challenging year of change for the Global Fund Secretariat, as we introduce a new structure and management team that will position the Global Fund for future growth.
4. It is the year in which we work to simplify our grant architecture and processes in response to concerns expressed by countries.
5. And it is a year in which we continue to innovate, through a range of new opportunities in Round 8, by strongly consolidating our partnerships at global and country levels, through more sustained engagement of civil society and the private sector and, potentially, with the establishment of the Affordable Medicines Facility for Malaria (AMFm).

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6. I thank all members of the Board for their contribution to the Global Fund since its last meeting, especially Rajat Gupta, Liz Mataka and the Chairs and Vice Chairs of the Committees, whose hard work in the last six months has prepared us all so well for the deliberations of the Board. I particularly welcome new members of the Board and delegates.
7. I warmly thank Secretariat staff members, including the Executive Management Team, for their tremendous work to ensure that the core work of the Global Fund continues, at the same time as they manage a period of significant change and introduce new ways of working.
8. I also thank all the members of the Global Fund partnership for their continued contribution and support. The Secretariat and many Board constituencies have worked particularly closely with Roll Back Malaria in the last six months to develop the concept of the Affordable Medicines Facility for Malaria and to strengthen global efforts towards the eradication of malaria as a major public health burden. It is when I travel to countries that I am reminded of the many ways in which the UNAIDS

Secretariat and its Cosponsors, including WHO and the World Bank, Stop TB, RBM and our bilateral partners are all working effectively. In my meetings with civil society, I am constantly reminded of their indispensable contribution and extraordinary commitment to fighting the three diseases.

9. A remarkable example of how the Global Fund can effectively mobilize a partnership for human rights and health is the withdrawal of the health arrival card for visitors to China, and China's ongoing work to remove travel restrictions for people living with HIV. I thank the Chinese government for taking these steps.

10. This report is organized as follows:

- i. Part 1 provides an overview of corporate results and the Global Fund portfolio, together with an update on key operational issues.
- ii. Part 2 discusses the Global Fund's role in health systems strengthening.
- iii. Part 3 highlights some of the many ways in which the Global Fund partnership is growing stronger.
- iv. Part 4 provides an update on resource mobilization.
- v. Part 5 describes follow-up by the Secretariat on Study Area 1 of the Five Year Evaluation, and progress in the two study areas that are ongoing.
- vi. Part 6 updates the Board on progress in a number of key initiatives introduced in the last year.
- vii. Part 7 focuses on the Secretariat, including an update on progress in implementing the new structure and the transition from the Administrative Services Agreement with WHO.

## **PART 1: RESULTS AND PORTFOLIO OVERVIEW**

### **2007 Results**

1. The number of people reached by Global Fund-supported services has increased from a few thousand in 2002 to tens of millions six years later.

2. By the end of 2007, Global Fund-supported programs were providing HIV treatment to 1.4 million people and TB treatment to 3.3 million people, increases of 88 per cent and 65 per cent respectively in just a year. About 46 million insecticide treated nets (ITNs) have been delivered, an increase from only 18 million in 2006 (Table 1). This has raised the coverage of these interventions from under 10 per cent a few years ago to over 60 per cent in some countries. This is the population coverage and scale at which the Global Fund can truly achieve impact.

**Table 1: Global Fund top 3 results indicators (December 2007<sup>1</sup>)**

<b>Indicator</b>	<b>Dec 2006</b>	<b>Mid 2007</b>	<b>Dec 2007</b>	<b>% increase in last year</b>
<b>HIV: People on ART</b>	770,000	1.1 million	1.4 million	88%
<b>TB: DOTS treatment</b>	2 million	2.8 million	3.3 million	65%
<b>Malaria: ITNs distributed</b>	18 million	30 million	46 million	155%

<sup>1</sup> Updated figures will be available in June 2008

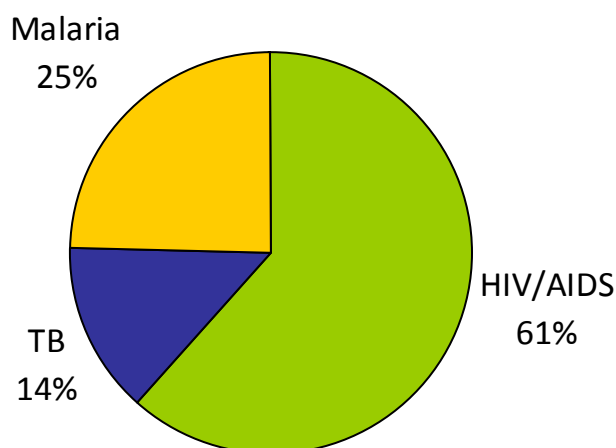
## Current Portfolio Overview

3. By mid-April 2008, the Global Fund had approved 572 grants with a value of US\$10.7 billion in 136 countries. Total disbursements have reached US\$ 5.5 billion.

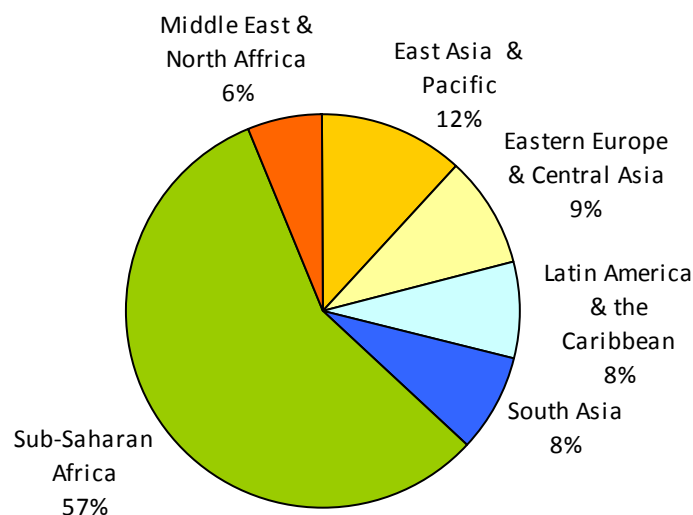
4. Key attributes of the portfolio include the following:

- Approximately 60 percent per cent of Global Fund resources have been committed to AIDS programs, with 14 per cent committed to TB and 25 per cent to malaria (Fig. 1). The overall proportion for malaria has increased by 3 per cent as a result of the success of malaria proposals in Round 7.
- The Global Fund now provides over two-thirds of international financing for TB and malaria. In 2006, it accounted for 22 per cent of the total international commitment to AIDS.
- Regional distribution of Global Fund resources has remained relatively consistent, with just under 60 per cent of total funds committed to grants in sub-Saharan Africa (Fig. 2)
- The Global Fund continues overwhelmingly to support programs in the poorest countries (Fig. 3)<sup>2</sup>.
- The proportion of government and non-government implementers (principal and sub-recipients) is about half and half (Fig. 4).

**Fig. 1: Global Fund resources by disease component (Rounds 1 - 7)**

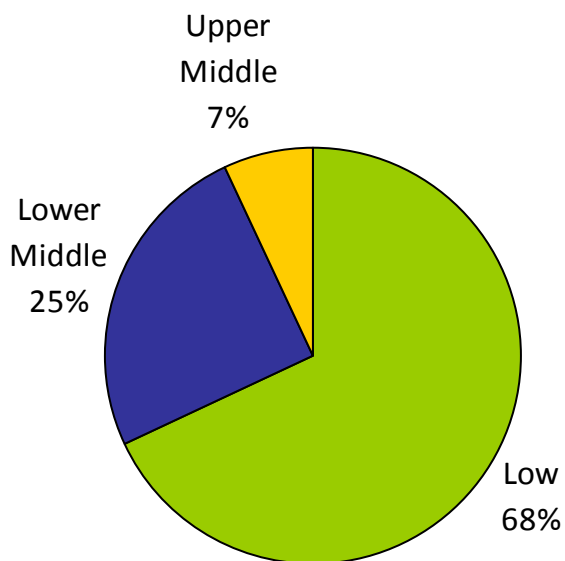


**Fig. 2: Global Fund resources by region (Rounds 1 - 7)**

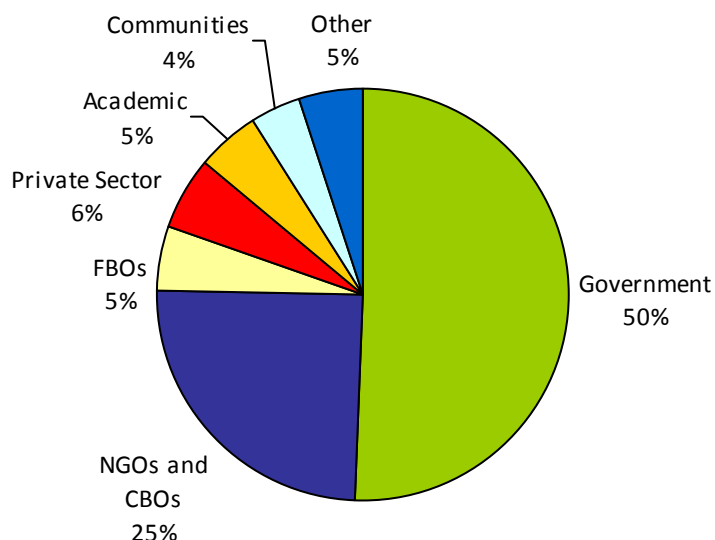


<sup>2</sup> As classified by the World Bank

**Fig. 3: Global Fund country classification by income level (Rounds 1 – 7)**



**Fig. 4: Global Fund implementers (Rounds 2 – 6)**



### *Enhanced Financial Reporting*

5. In January 2008, the Secretariat began implementing Enhanced Financial Reporting (EFR). This should significantly improve the analysis of the portfolio, including linking Global Fund resources to programmatic areas and better tracking of sub-recipients. EFR is being progressively implemented in line with the current annual reporting cycle for each grant.

### *Disbursements*

6. Annual disbursements reached **US\$ 1.73 billion in 2007**, representing a 7 per cent increase over 2006 and a delivery rate of 102 per cent against the target, compared to a delivery rate of 94 per cent of the target in 2006 (Table 2). This is a remarkable collective achievement of the Secretariat, principal recipients, implementers and partners.

**Table 2: Global Fund Disbursements 2002 - 2007**

	2002	2003	2004	2005	2006	2007
<b>Disbursed (USD billion)</b>	0.1	0.23	0.63	1.05	1.32	1.73
<b>Target</b>	-	-	-	-	1.4	1.7
<b>Rate</b>	-	-	-	-	94%	102%

7. Disbursements of US\$ 411 million in the first quarter of 2008 - compared to US\$ 292 million in the same period last year – suggest that the Global Fund is well on track to reach its disbursement target of US\$2.2 billion for this year.

#### *Grant signing*

8. Of 97 Round 6 grants, all were signed within the 12 month Board-mandated deadline, except for 3 grants where an extension was requested; these three grants were signed between December and February.

9. All approved Round 7 proposals have completed the TRP clarification process. Grant negotiations are proceeding and it is anticipated that approximately half of the 78 approved grants will be signed by the end of May 2008. Last week, Round 7 grants were signed for Bhutan, Laos, and Liberia.

10. Table 3 shows the average time between grant approval, signature and first disbursement in Rounds 5 and 6. In 2007, the average time between grant approval and first disbursement was 10.8 months, compared to a target of eight months. The target may not actually be feasible within the current Global Fund architecture, because proposals approved by the Technical Review Panel require significant additional work for them to be actually implemented. Complex grants, even when signed within acceptable timelines, have to meet numerous conditions before disbursement, which contributes to the delay.

**Table 3: Average time between approval, signature and disbursement**

<b>Period</b>	<b>Round 5(average)</b>	<b>Round 6 (average)</b>
Time between approval and signature	262 days	273 days
Time between signature and 1 <sup>st</sup> disbursement	62 days	54 days
Time between approval and 1 <sup>st</sup> disbursement	324 days	327 days

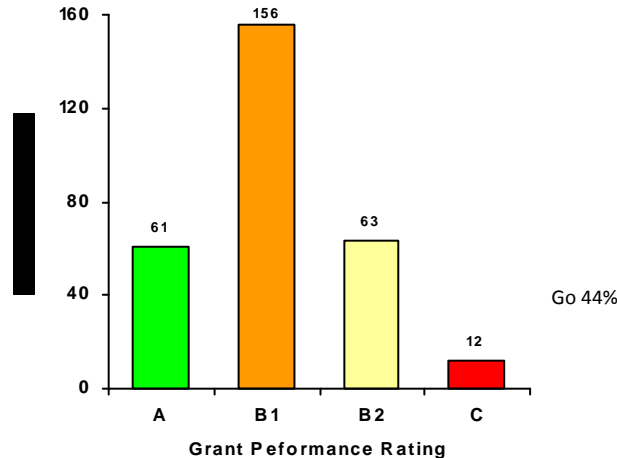
11. The Secretariat is committed to doing everything possible to reduce these delays. As part of the restructuring, internal processes are being streamlined to improve collaboration on grant negotiation and signing across the Secretariat. Ad hoc grant teams, coordinated by the Fund Portfolio Manager, include colleagues from the Legal, Monitoring and Evaluation, Finance and Procurement Units, who together share responsibility and accountability for grant negotiation and signing. New software upgrades recently added to the Grant Management System will also help to expedite overall grant management.

#### *Phase 2 Renewals*

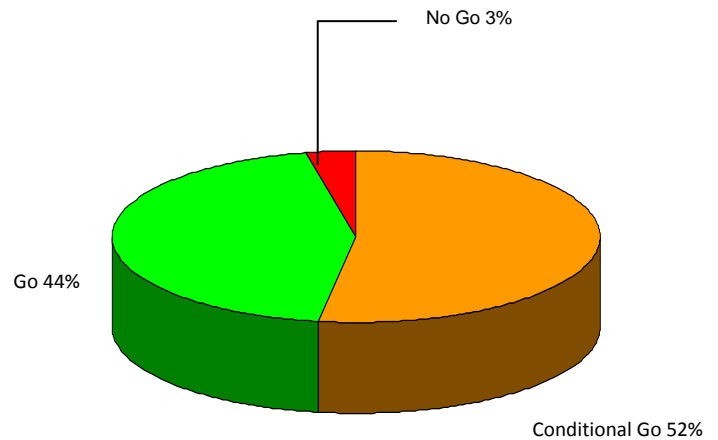
12. The Global Fund now has three years' experience with the Phase 2 review process. In 2007, Phase 2 grant renewals accounted for 62 per cent of approved funding. By mid-April 2008, more than 120 countries had accessed funds for Phase 2 in 269 grants. Eighty-four per cent of funds are invested in well-performing A and B1 rated grants (Fig. 5).

13. Funding continues to follow performance. In 2007, well-performing A and B1-rated grants received 27 per cent more resources than those that were B2 or C-rated. Over 90 per cent of the "Top 10" indicators were reached by all grants undergoing Phase 2 evaluation.

**Fig. 5: Total Phase 2 approvals submitted to the Board by Dec 2007**



**Fig. 6: Phase 2 recommendations at Dec 2007 (292 submitted to the Board)**



14. Overall, the proportion of all Phase 2 reviews submitted to the Board that have resulted in a no-go decision remains small (Fig. 6), the most recent being in June 2007.

15. The average time for signing Phase 2 renewals is six months.

16. A streamlined Phase 2 review process is being piloted, based on a risk categorization of grants. The Phase 2 Panel now focuses on in-depth analysis of larger and riskier grants, while lower-risk grants are reviewed by an advisory group.

#### *Rolling Continuation Channel (RCC)*

17. The RCC was introduced in 2007 to provide high performing grants with an opportunity to continue for another six years, while also scaling up and expanding scope where appropriate.

18. The disappointing results of the first wave – in which only 5 of the 10 qualifying grants were approved for funding - led to a review of the RCC by the Board at its Sixteenth Meeting. RCC applicants not recommended for funding are now invited to resubmit revised proposals in the next available RCC wave and receive bridge funding during the resubmission process. The outcome of first wave resubmissions will be known following the next TRP review of RCC proposals in June 2008.

19. The second wave of qualified RCC proposals has just been reviewed by the TRP, and in April the Board approved six of the 10 eligible proposals, with the remainder invited to re-submit in the next wave. Seventy-one additional grants have been reviewed for RCC eligibility since the first wave, of which 27 have qualified, bringing the cumulative proportion of reviewed grants to qualify for RCC to 31 per cent.

### *Grant Consolidation*

20. In November 2007, following a pilot phase involving the consolidation of six grants, the Board authorized the Secretariat to roll-out grant consolidation across the portfolio. Since then, a further two grants have been consolidated. All approved Round 7 proposals were reviewed for potential consolidation and 27 proposals were deemed eligible. Bhutan (malaria) and Viet Nam (malaria) were the first Round 7 proposals to be consolidated, and were due to be signed in April. In addition, three consolidations through the Rolling Continuation Channel (RCC) are likely to be approved this year, and at least one country plans to submit a fully consolidated proposal in Round 8.

21. I draw the Board's attention to the complexity of grant consolidation and the concerns expressed by CCMs, principal recipients and other stakeholders about the difficulties of this process.

### *Grant Performance Rating*

22. The Secretariat has developed a more systematic and transparent approach to assessing grant performance and disbursement decisions which will be implemented by May 1. The assessment is now based on a composite rating for results achieved against targets and transparent documentation of other relevant management and contextual factors. This score is then used to establish indicative disbursement ratings which more effectively link results achieved and funds disbursed.

### *Portfolio Risk Management*

23. Risk Management includes a number of approaches including the Early Alert Response System (EARS) and the Additional Safeguard Policy.

24. The report to the PSC on Key Performance Indicators for 2007 again noted the weakness of the **EARS** system. From later this year, early alerts will be generated by an improved information system that combines data on programmatic performance with the financial and managerial performance of grants.

25. As of March 2008, 11 grants were being managed under the **Additional Safeguard Policy**. At the request of the Portfolio Committee, the Secretariat will conduct an in-depth analysis of the types of safeguards applied to its portfolio of grants and report to the PC in September.

26. Risk assessment must be an integral part of decision making at all levels, balancing the need for appropriate safeguards against the risk inherent in providing funding in some of the world's most fragile countries. In March the FAC considered a draft **Risk Management Framework** and work plan, developed in consultation with the Inspector General, which will be refined in the coming months and discussed by the Board in November.

### *Office of the Inspector General*

27. I take this opportunity to thank the new Inspector General, John Parsons, who took office in January, for his effort to establish collaborative and collegial relations with the Secretariat. John has developed an ambitious program of work for the OIG that should greatly increase the Board's confidence in the independent oversight function of his office.

### *Country Coordination Mechanisms (CCM)*

28. The Secretariat continues to provide assistance to CCMs to strengthen CCM governance and operations with the support of bilateral and multilateral partners including the United States, United Kingdom, Germany, UNAIDS and WHO.

29. Since the last Board meeting, 40 CCM case studies have been completed and will be available in the coming weeks. The case studies show how the CCM platform is successfully bringing together key stakeholders across the three diseases in a way that mediates competing interests and empowers civil society's voice in countries where the government is committed to multi-sector collaboration. Themes addressed include governance and civil society participation; CCM financing; conflicts of interest; communications between principal recipients, CCMs and Local Fund Agents; harmonization and alignment; partnerships and leadership; CCM oversight practices, and principal recipient and sub-recipient selection. CCMs with clear governance structures, tools and processes – such as appropriate use of sub-committees and governance manuals – are shown to function more smoothly than those whose processes are more ad hoc, while CCMs with independent Secretariats provide more effective grant oversight.

30. In November 2007, the Board approved \$6.5 million to support the strengthening of CCMs. All CCMs have been informed and guidelines have been distributed and posted on the Global Fund website. To date, nearly \$700,000 has been requested by 13 CCMs.

### *Re-tendering of Local Fund Agents (LFAs) and preparation for handover*

31. Following the international tender, over 450 proposals were received from 27 organizations. Following a technical evaluation, the Secretariat identified 246 proposals from 14 organizations that met the required technical standard.

32. Selection of a single entity to act as LFA in each country will be undertaken through a technical and cost based competition on a country by country basis. It is anticipated that new contract awards will be made by September 2008. Handover to new LFAs will occur on a phased basis so as to minimize disruption to implementation, but should be completed during the last quarter of 2008. It is recognized that in some cases, it may be necessary to defer handover until early in 2009, in order to avoid interruption of assessments resulting from Round 8 proposals. The Secretariat has developed training processes to facilitate the transition to new LFAs.

### *Procurement*

33. By the end of 2007, the Price Reporting Mechanism (PRM) database contained information for a procurement value of US\$ 782.3 million for 108 countries and 239 grants. Work is underway to develop a new PRM system to ensure improved quality of data and functionality and enable integration with the Global Price Reporting Mechanism (GPRM) hosted by WHO. In December 2007 more than 15 international organizations and procurement agents agreed to harmonize data and expand the existing GPRM database to include TB and malaria. The rollout of the new PRM system – including training – will begin in late 2008.

34. In 2007, more than 90 per cent of entries of Single and Limited Source Pharmaceuticals were fully compliant with the Global Fund Quality Assurance policy. Overall rates of non-compliance with the policy have fallen from 19 per cent in 2005 to 9.5 per cent in 2007. With regard to drugs classified as Option C under the policy, twenty-five notifications have been received since January 2007, suggesting increased understanding of the notification process and improved compliance with



the policy. In response to these notifications, only one objection letter has been issued and the country decided to select another pharmaceutical product in compliance with the policy.

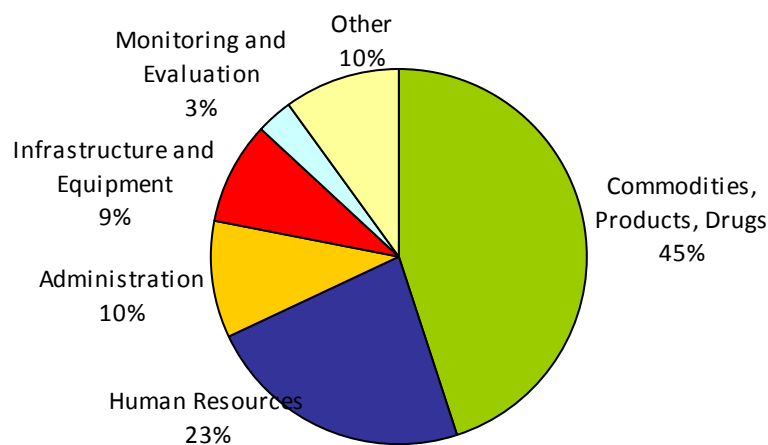
### *Preventing discontinuity of services*

35. The Secretariat closely monitors potential discontinuity of services. The first Continuation of Services (CoS) Agreement was signed for Togo in August 2007. The arrangement is meant to provide the country with sufficient time to search for alternative funding sources when current Global Fund financing ends. The Secretariat, together with UNAIDS and bilaterals, will hold a donor meeting half way into the implementation of the agreement to mobilize funding beyond the end date of the CoS. The procurement of a buffer stock of antiretroviral drugs is also being explored.

## **PART 2: HEALTH SYSTEMS STRENGTHENING**

1. Widespread discussion about approaches to health systems strengthening continues in 2008. The extent to which the Global Fund already supports health systems strengthening through AIDS, TB and malaria grants tends to be underappreciated. As Fig. 7 shows, over a third of Global Fund resources to date have been spent on health systems strengthening through human resources (23 per cent), infrastructure (9 per cent) and monitoring and evaluation (3 per cent). The cumulative number of health care workers who have received training through Global Fund programs is now estimated to exceed 6 million.

**Fig. 7: Global Fund resources by expenditure component (Rounds 2 – 7)**



2. The Global Fund supports health systems strengthening in three ways.

3. Firstly, the Global Fund supports health systems directly through disease programs. The Global Fund-supported HIV program in Ethiopia, for example, has provided training for 30,000 local health care workers and contributed to the refurbishment of 600 health care facilities. Combined resources from the Global Fund, the World Bank, GAVI and PEFAR are helping Ethiopia to provide HIV, malaria and a full range of community health services. The Global Fund also supports cross-cutting actions across more than one disease component; the Board approved more than \$360 million in cross-cutting actions in 2007. A key innovation in Round 8 is the opportunity to apply for resources for community systems strengthening, which may include physical infrastructure development, office space, financial management systems, communications technology, strategic planning and other measures to build community capacity. This approach recognizes that countries need to fully harness the under-utilized and under-resourced capacity of communities.

4. Secondly, Global Fund-supported programs buttress health systems by reducing mortality among health workers in high-burden countries. In Malawi, for example, deaths in the health sector increased six-fold between 1985 and 1997 as a result of AIDS, with total health worker capacity reduced by 50 per cent as a result of death and migration. Since its implementation, the Global Fund-supported AIDS program has saved the lives of over 10 per cent more health workers than are actually required to implement AIDS treatment in the country.

5. Thirdly, by tackling the causes of disease, Global Fund resources reduce the burden on health facilities and enable them to address other health problems. In some of the worst-affected countries, such as Zambia, up to 50 per cent of hospital patients are admitted for AIDS-related illness and up to 50 per cent of outpatients are people affected by malaria. In Rwanda, hospital bed occupancy rates fell from nearly 100 per cent to around 25 per cent in just two years after the scaling up of AIDS and malaria programs, leading a hospital director in Rwanda to tell the Global Fund that “before we dealt with hospitalizations. Now we can provide the full package of health”.

6. It would of course be a mistake to assume that that disease targeted programs initiatives such as the Global Fund and GAVI can fully solve all health systems challenges, including the need for appropriate financing for health expenditures overall.

7. The 2008 Global Fund results report, to be launched at the International AIDS Conference in August, will provide an update on the role of the Global Fund in supporting health systems and community service delivery.

### **PART 3: THE GLOBAL FUND PARTNERSHIP**

1. The breadth and depth of the Global Fund partnership are growing at both global and country levels. Partners are mobilizing to address policy challenges such as improving aid effectiveness and eliminating travel restrictions for people living with HIV. The new Secretariat structure will further enhance partnership-building at the Global Fund. The 2008 Partnership Forum and other key events also provide important opportunities for collaboration.

#### *Global partnerships*

2. The three major disease partnerships, UNAIDS, Stop TB and Roll Back Malaria, as well as WHO, continue to be very active members of the Global Fund partnership globally and in countries. I am very grateful for their support. A series of new Memoranda of Understanding (MoUs) to be completed this year will describe priorities for collaboration with these key partnerships. A draft of the new MoU with UNAIDS, agreed to by all Cosponsors, is among the Board documents for this meeting.

3. In a true spirit of collaboration, the World Bank has kindly made Debrework Zewdie available for the last six months to serve as interim Director of Operations at the Global Fund. I sincerely thank Debrework for her outstanding contribution to the Fund, and I am convinced that her work to assist us through such an important period of change will be of major value to both our organizations in the future.

4. The “H8” group of global health agency Heads, which held its second meeting in January, and the UN Secretary General’s Working Group on the MDGs in Africa, both provide me with opportunities to share information, agree on common messages and harmonize efforts with key partner agencies at the global level.

5. Following the decision taken at the Sixteenth Board Meeting, UNAIDS has convened a Task Team to review evidence about travel practices worldwide and make recommendations about how different stakeholders can take steps towards the elimination of HIV-related travel restrictions, which exist in one form or another in more than 70 countries. The Task Team has now met twice, and will report to the Board in November. I thank all partners including UNAIDS, the International AIDS Society for hosting the Secretariat and participating Board members including Burkina Faso; China; the communities, developing country NGO and private sector delegations; France; the Global Business Coalition, the Netherlands and the United States.

#### *Aid effectiveness*

6. 2008 also offers opportunities for the Fund to contribute to the aid effectiveness agenda. In the last year, the Fund has convened global programs across health, education and the environment to promote learning in response to the Paris Declaration. A review of the experience of countries with global programs being developed with the World Bank will be presented to the Accra Conference in September as part of a Round Table on the global aid architecture co-organized by the Global Fund. The Global Fund will also undertake a second round of self-evaluation against the Paris principles and report on the results at the Accra meeting.

7. In addition, the International Health Partnership (IHP+) is providing a valuable forum for the Global Fund, WHO, the World Bank, GAVI, UNAIDS and other partners to harmonize work in key areas such as National Strategy Applications and performance-based funding.

#### *Working together in countries*

8. There are countless examples of partners working together to provide support to Global Fund-financed programs at country level. Here I mention just a few.

9. In Latin America and the Caribbean, the United States Government, the World Bank and the Clinton Foundation are harmonizing procurement activities in Guyana, while both the US Government and UNAIDS are providing support to the CCM. In Haiti, the Canadian International Development Agency, the US Government, UNAIDS, UNICEF and UNFPA are collaborating on procurement and monitoring and evaluation. The Regional Network Alliance/Observatorio Latino is supporting the work of the Global Fund with a study on gender in CCMs. Other regional organizations, such as CARICOM, CONCASIDA, PANCAP, Organizacion Andino de Salud and WHO/PAHO are also providing support to Global Fund grants.

10. In India, Nepal and China, UNAIDS is providing invaluable Secretariat support for CCMs. GTZ and USAID are providing funds for CCM strengthening in India. The Netherlands has provided support to the Global Fund TB grant in Vietnam as part of the National TB Program.

11. In West and Central Africa, the French agency Esther and NGO Sidaction have provided crucial support to a number of programs, often in challenging circumstances. In Togo, for example, Esther provided assistance when the country faced a potential stockout of antiretroviral drugs. In addition, this region has adopted the concept of public-private partnerships on a regional level to help increase the impact of Global Fund resources, Marathon Oil, Standard Chartered Bank, Chevron and Anglo-Ashanti Gold are among the companies working to improve access to health care services.

12. NGOs also continue to play a crucial role. CARE Cote d'Ivoire, for example, as the Principal Recipient for the Global Fund HIV grant, is using Global Fund and PEPFAR resources for the purchase of antiretroviral drugs. Negotiations are presently underway to extend this partnership to

other intervention areas, including laboratory reagents and equipment, rehabilitation, training and monitoring and evaluation. Cooperation and support between the Global Fund and PEPFAR programs has resulted in greatly improved performance in both Cote d'Ivoire and Nigeria.

13. The RBM Partnership has been instrumental in providing technical support to improve the performance of malaria programs in Nigeria. Stop TB partners provide support to the Round 7 grant in Liberia and UNAIDS has provided technical assistance to Sao Tome and many other countries over the last year.

#### *Strengthening partnership functions in the Secretariat*

14. The new Secretariat structure provides an opportunity to further integrate partnerships structurally and functionally within the daily work of the Global Fund. In addition to a new Partnerships Unit in the Partnerships, Communications and Resource Mobilization Cluster, a private sector officer and a civil society officer will be located in each of the eight Country Teams of the Country Programs Cluster in order to strengthen relationships and build demand among these constituencies at country level.

#### *The Global Fund's relationship with the United Nations*

15. A paper developed for this Board Meeting describes a number of ways in which the Global Fund could further strengthen its relationship with the UN. These include possible observer status at the World Health Assembly and the UN General Assembly. I am grateful to Sigrun Møgedal for having agreed to lead a working group to further explore this issue. Relations with multilateral agencies and the UN will be supported by a new Multilateral Relations Team in the Secretariat.

#### *Key events*

16. Several key events in 2008 provide opportunities for collaboration with partners. The Global Fund is a co-sponsor of the PEPFAR Implementers Meeting in Kampala in June and will be actively involved in the International AIDS Conference in Mexico City in August. The latter will include a display of the "Access to Life" project in the Global Village and a satellite event hosted by the Global Fund in partnership with the private sector.

17. "Access to Life", to be launched in June, is a collaboration between the Global Fund and Magnum Photos - one of the world's most renowned photo agencies - involving the photographic documentation of 20 to 25 people in nine countries around the world from the time they begin antiretroviral treatment for AIDS until they are four months into treatment. It is hoped that the project's powerful images will serve as a contribution by the Global Fund to all partners involved in the global response to AIDS, helping them to advocate for a continued commitment to fighting the epidemic. The project is also an inspirational reminder of what can be achieved when the international community commits itself to addressing the needs of the poorest and most vulnerable.

18. The 2008 Global Fund Partnership Forum will take place in December in Dakar, Senegal, with the theme "Listening to the voices: stronger and more effective partnership for sustained impact". The Forum provides a venue outside Board meetings in which stakeholders - whether or not they are currently involved in Global Fund-supported programs - can gain a better understanding of the Global Fund and contribute to discussions on its strategy and operations. Sub-themes to be addressed during the plenary and breakout sessions this year include gender, with a particular focus on women, girls, sexual minorities, sexual and reproductive rights and health; generating demand to meet unmet needs and translating it into quality proposals and programs; assessing the results of the Five-Year

Evaluation and reviewing the state of the Global Fund partnership, as well as sharing experiences, challenges and best practices in implementation.

19. The High Level Meeting on AIDS at the United Nations in June will report on progress against global AIDS commitments. I will be using this opportunity to draw special attention to the challenge of TB/HIV co-infection in a panel with President Jorge Sampaio and other leaders.

#### *Travel*

20. I have undertaken a steady schedule of visits to both donor and beneficiary countries over the last six months including Burkina Faso, France, India, Ireland, Kuwait, Saudi Arabia, Senegal,, South Africa, Swaziland, Tunisia, the United States, the United Kingdom, Yemen, the EU in Brussels and the Swiss government in Bern. I warmly thank all those countries that have welcomed me so graciously. I continue my practice of visiting Global Fund-supported sites and meeting with civil society groups wherever possible on these visits. I wish to especially thank Natasha Bilimoria and Mike Skonieczny at Friends of the Global Fight in Washington for their unwavering support during my frequent visits to the US, including preparing for my testimony to the US Senate Foreign Relations Committee hearing on the PEPFAR/Global Fund reauthorization in February. Similarly, I wish to thank Friends of the Fund Europe, especially for its work to raise awareness about malaria this year, and Friends Africa, which is becoming increasingly active. I look forward to the launches of Friends groups in Australia and the Middle East later this year.

## **PART 4: RESOURCE MOBILIZATION**

### *Public Sector*

1. At the time of the Global Fund replenishment meeting in September last year, a number of countries were not in a position to make new pledges. Since then, Canada has confirmed its contribution of CAD\$ 450 million for 2008-2010, Japan has transferred the projected amount of US\$184 million and the US has appropriated US\$ 841 million for Financial Year 2008. These figures confirm that the projections made at the replenishment conference were modest and strengthen our conviction that total income for 2008-2010 will be well in excess of the projected US\$ 9.7 billion.

2. The Secretariat is working closely with the Ministry of Foreign Affairs and Friends of the Global Fund Japan in preparation for the G8 Summit in Japan in July, including participation in the G8 Health Experts' Meeting in April. In advance of the Tokyo International Conference on African Development (TICAD) IV in May, which I will attend, Friends of the Global Fund Japan is organizing a symposium in Tokyo which will be attended by Prime Minister Fukuda. I thank Tadashi Yamamoto and everyone at Friends Japan for their hard work and support.

3. After its successful launch in September, Debt2Health has expanded its outreach to donor and beneficiary countries. Australia has committed to participating in Debt2Health with Indonesia. The Secretariat is currently working with Pakistan and Germany to conclude a second agreement this year, and there is growing interest from other countries in entering Debt2Health agreements with Germany.

### *Private Sector*

4. The Global Fund made significant progress in broadening its engagement with the Private Sector during the past year, resulting in an increase in resources mobilized and additional steps to secure the long term growth of this partnership.
5. (PRODUCT)<sup>RED</sup> raised US\$42 million in 2007, representing a 360 per cent increase over 2006 and successfully proving the scalability of its innovative approach. In the first two months of this year, RED mobilized \$58 million, with an astonishing \$42 million raised on one night at the (RED) Art Auction in February.
6. Earlier in the year at the World Economic Forum's annual meeting at Davos, new RED partnerships with Dell and Microsoft were announced, paving the way for continued expansion and growth in the year ahead.
7. In addition to (PRODUCT) RED, the Global Fund was a beneficiary of another consumer marketing initiative, the "American Idol Gives Back" campaign, which yielded \$6 million in contributions for the Global Fund in 2007 and 2008.
8. The first partnership in the Global Fund Corporate Champions Program was also announced at Davos, with Chevron Corporation making a commitment of \$30 million to support the Global Fund over the next three years. The scale of this commitment is without precedent in terms of corporate financial support for global health issues, and will be directed to Global Fund-financed AIDS, TB and malaria programs in Africa and Asia. In addition to supporting Global Fund-financed programs, Chevron has committed to maintaining best practice workplace policies and practices on AIDS, TB and malaria, and to leverage its expertise and infrastructure to support the governance and implementation of Global Fund grants. Following the precedent set by Chevron, the Global Fund's long term goal is to build a group of up to ten Corporate Champions.

#### *Faith-based organizations and civil society*

9. The United Nations Foundation, working with the United Methodist Church and Lutheran World Relief, has created a new partnership organization, "Nothing But Nets", focused on eradicating malaria and increasing the participation of civil society and faith-based organizations in the response to the disease. They aim to mobilize grassroots organizations to raise US\$ 200 million to support the activities of the Global Fund and Roll Back Malaria.

## **PART 5: FIVE YEAR EVALUATION**

1. Study Area 1 of the Five Year Evaluation made several recommendations with regard to increasing the efficiency and effectiveness of the Global Fund Secretariat. These focused on the areas of strategy, partnerships, governance, organizational structure, processes and grant management and mission-critical systems.
2. Following up on the first recommendation area, the Secretariat is working to develop operational guide that provides simple information about the Global Fund and its policies, to be available later this year. The MyGlobalFund website, launched last October, also provides an innovative means of communication with and between implementers and members of CCMs.
3. The second recommendation area, which addresses partnerships, will be comprehensively followed up when the findings from Study Area 2 become available in June. A process to review and

evaluate findings with partners will be discussed at a Board retreat on partnerships planned for October. I look forward to the Global Fund having its first partnership strategy in place in 2009.

4. The Chair of the Board has initiated a number of procedural measures to ensure that the Board focuses on strategic and policy – rather than operational – issues, including the pre-Board information day. In March, the FAC agreed to adopt a three-year budget framework approach to the approval of Secretariat operating expenses, which will help to reduce the level of operational detail that comes before the Board. I am grateful to the FAC for the trust and confidence it has shown in the Secretariat on this matter.

5. A key recommendation from Study Area 1 came with the TERG's call to simplify the Global Fund's processes and to innovate with performance-based funding. A review of the Global Fund architecture is now under way and is addressed in detail in Part 6 of this report. Additional "sub-Board" architectural improvements that have been made include the implementation on a trial basis of a simplified Phase 2 review process in February and the upgrading of the Grant Management System (See Part 1).

6. The final set of recommendations in Study Area 1 stressed the need for continued investment and innovation in mission-critical systems, especially for financial tracking, procurement, information systems strategy and resource mobilization. Follow-up in these areas is mentioned elsewhere in this report.

7. Study Area 3, which addresses the impact of the Global Fund on the overall reduction of the burden of the three diseases, is pursuing an ambitious process – with task forces working in 20 countries - and timeline to report by the November Board. The important investments being made in impact measurement are intended not only to serve the purposes of the evaluation, but in the longer term to contribute to the measurement of progress against the Millennium Development Goals and to help countries integrate the best monitoring and evaluation tools into grant proposals. I thank members of the TERG for their work and PEPFAR for its support of this process in several participating countries.

## **PART 6: THE GLOBAL FUND INNOVATES**

1. Several significant policy and operational initiatives presently on the agenda of the Board and committees contribute to 2008 being an especially exciting year that will position the Global Fund to increase its impact in the next few years.

### *Mobilizing for Round 8*

2. Round 8 was launched on March 1 with a closing date for proposals of July 1. With a projected US\$2 billion available, Round 8 is the cornerstone of increasing demand for Global Fund resources this year. It is an especially important round at the half-way point to the Millennium Development Goals. Rounds 8 and 9 will also help determine how close the international community comes to reaching the goal of universal access to HIV treatment and prevention by 2010 and the RBM strategic goals of 80 per cent coverage of populations at risk and 50 per cent reduction in mortality for malaria by 2010.

3. Throughout March, the Secretariat was closely involved in 11 regional information meetings organized by Stop TB, Roll Back Malaria, WHO, UNAIDS and bilateral partners. The meetings explained new features of the proposal form for Round 8, including opportunities to finance

interventions that address gender and the needs of sexual minorities; Dual Track Financing; health and community systems strengthening; grant consolidation by proposal, and a separate proposal for multi-country grants. These all offer new opportunities for countries to scale up more comprehensive responses to the three diseases. Summary data relevant to each region on key lessons learned from the TRP's review of previous proposals were also provided at the meetings.

4. The meetings in Delhi and Cotonou in March specifically addressed private sector participation in proposal development and grant implementation, while others in South Asia, West Africa, East Asia and the Pacific aimed to support civil society participation. The meeting in Johannesburg focused on better integration of sexual and reproductive health into Global Fund-supported programs, while the Global Health Workforce Alliance's recent meeting in Kampala discussed human resources in the context of Round 8. WHO hosted additional meetings in Geneva to discuss integration of maternal and child health and family planning in Round 8 proposals.

5. For Round 8, the eligibility criteria and cost-sharing policy that the Board approved in November are also being implemented. This policy acknowledges that the specific purpose of the Global Fund on the development landscape is to fight epidemics, and that eligibility should not be determined solely on the basis of GDP, but also on the burden of disease.

6. Drawing on the TRP's recommendation to strengthen information to applicants on health systems strengthening, WHO has developed supporting materials for Round 8 applicants that include strong examples of health systems strengthening elements from proposals previously recommended for approval by the TRP.

7. In preparation for Round 8, special roundtable on demand mobilization was organized by former Board Member Peter van Rooijen with support from Aidspan in Johannesburg in early April. Aidspan has conducted research in six African countries to identify obstacles at country level "to scaling up to meet the need".

8. I am grateful to all partners who are contributing energetically to making Round 8 a success.

#### *Architecture review*

9. The review of the Global Fund architecture that is presently underway is a key initiative to facilitate access to Global Fund financing, build on the Fund's record of innovation, improve harmonization and alignment with country needs and build demand.

10. The review has been undertaken in response to the widely-expressed view from countries – as well as the finding of Study Area 1 of the Five Year Evaluation – that, after six years of operation, accessing financing from the Global Fund and complying with the Fund's administrative requirements has become unduly complex. Consultations undertaken with implementers as part of the review reveal a number of specific concerns, including that the present annual rounds system creates significant alignment and harmonization challenges for countries, and that the lack of opportunity to quickly revise and resubmit unsuccessful proposals to the TRP can result in a major loss of invested effort.

11. Countries tell us that the current Phase 2 review process takes place too early, and that the two distinct grant phases can be an impediment to the consolidation of grants, as well as being disruptive to implementation and predictability of funds.

12. Many principal recipients are managing multiple grants for the same disease, which increases transaction costs and administrative burden, and risks reinforcing a "project-style" approach.



Furthermore, the findings from consultations indicate that the current systems for requesting funding do not optimally serve the changing needs of Global Fund implementers. In contrast to the first few years of the Global Fund, the architecture needs to better recognize that many requests for funding are now for the extension and scale up of successful programs.

13. The Secretariat has identified a number of themes for potentially improving the Global Fund's architecture. These themes, which were presented to the PSC in March, include the possibility of introducing a line of funding, or "single funding stream" per country, disease area and principal recipient; merging of the rounds-based and RCC funding channels, with multiple application/decision windows per year, and possible alternatives to the current Phase 2 Review model. In addition, a more interactive submission and TRP review approach for Category 3 proposals is being considered, to be introduced possibly as early as Round 8. This work will be a major priority for me and the Secretariat in the coming months.

#### *UNITAID collaboration*

14. I am very pleased that the framework for strategic collaboration between UNITAID and the Global Fund will be considered at this Board Meeting in the form of a "roadmap" developed by the two Secretariats. In addition to the support already provided by UNITAID to Round 6 grants, the roadmap aims to expand access to second-line and pediatric antiretrovirals, second-line TB treatments through the Green Light Committee / Global Drug Facility and artemisinin-based combination therapies (ACTs) through possible UNITAID support for the proposed Affordable Medicines for Malaria Facility (AMFm). It will also promote data-sharing through the Global Price Reporting Mechanism and, potentially, collaboration to improved access to more affordable diagnostics.

#### *Voluntary Pooled Procurement*

15. The preparatory phase of work to establish a Voluntary Pooled Procurement (VPP) service, Capacity Building Services and Supply Chain Management Assistance (CBS/SCMA) for principal recipients has been completed, with models refined, roles and responsibilities of the Secretariat, Agents and stakeholders established, products areas selected and a preliminary list of participating principal recipients identified. The services will target areas where the Global Fund is best positioned to take advantage of price, delivery and portfolio opportunities for principal recipients. The next phase of work will focus mainly on the selection and contracting of procurement service agents for VPP and service providers for the CBS/SCMA, as well as engaging interested principal recipients. The project is on track to meet scheduled implementation in January 2009.

#### *Affordable Medicines Facility for Malaria (AMFm)*

16. The proposed Affordable Medicines Facility for Malaria represents a major opportunity to expand access to ACTs, where coverage in many countries is currently estimated at only around 5 per cent in the private sector, compared to approximately 60 per cent in the public sector. Hosting the facility, based on the model recommended to the Board by the AMFm Task Force and the business plan produced by the Task Force and the Global Fund Secretariat, would represent a major new line of business for the Global Fund. It is however one that is entirely consistent with the Global Fund's mission and mandate as an innovative financing mechanism in global health.

17. The proposed facility has been the subject of vigorous discussion among Global Fund constituencies and partners, most recently at the meeting of the Policy and Strategy Committee in March. While most Board constituencies favour the proposal, a few harbour concerns. These

include approaches to financing and implementing the essential, supporting interventions and how to best phase the implementation.

18. I strongly believe that the concerns that have been expressed can be managed through careful planning, monitoring and evaluation, well-designed operational research and a phased approach to implementation. In its deliberations, I ask the Board to balance the risks of this bold new approach against the arguably greater risks of inaction.

#### *Global Fund Policy on Quality Assurance of Pharmaceutical Products*

19. The Board has consistently paid close attention to the quality of pharmaceutical products procured by principal recipients. In 2007, concerns were raised regarding the safety and efficacy of products not approved by the WHO pre-qualification program or by a stringent regulatory authority, and the absence of harmonized quality assurance standards among key donors, which has led to some confusion among partners at country level. The Board therefore decided last November to review the Global Fund Quality Assurance Policy for Pharmaceutical Products. As an interim measure, it also decided that any pharmaceutical product for the treatment of HIV/AIDS, tuberculosis and malaria for which the monograph was published subsequent to the Third Board Meeting (October 2002) should be subject to the QA Policy for Single and Limited-Source Products.

20. The objective of the review is to provide an analysis of the current policy and its implementation and propose recommendations after consultation with partners, taking into account harmonization with relevant partners' quality assurance policies, concerns about safety, stability and efficacy of drugs, and market dynamics.

21. A Steering Committee has been established to oversee the policy review and a Technical Advisory Group of experts assists in the assessment of technical reports and data. Recommendations will be shared with key partners for comment before they are submitted to the Portfolio Committee in September. As with other aspects of the Global Fund's work, the review aims not only to ensure the quality and efficacy of pharmaceutical products procured with Global Fund resources, but also to help harmonize requirements and quality assurance criteria with international partners. It may also help contribute to strengthening the role and capacities of national drug regulatory authorities and support the development of local manufacturers.

## **PART 7: SECRETARIAT UPDATE**

1. 2008 brings significant change to the Secretariat as the recommendations of the Organizational and Management Review by Booz Allen Hamilton are fully implemented and work continues to enable the transition from the Administrative Services Agreement with WHO to the Global Fund's own administrative systems and human resources policies.

#### *The Global Fund's people*

2. The number of Secretariat staff grew from 266 to 346 in the 12 months to the end of March 2008. The growth rate slowed in late 2007 due to a partial recruitment freeze while the new organizational structure was finalized. The first of three waves of recruitment in 2008 for the 173 new and vacant positions in the Secretariat is now well under way. By the end of March, 87 of these had been posted. The total number of staff is expected to reach 468 over the next year.

3. Staff turnover in the Secretariat in 2007 remained stable at around 8 per cent, compared to 7 per cent in 2006. The Global Fund remains a "young" organization, with more than one third of current

staff having been with the organization for less than a year; and around 60 per cent for less than two years. I have therefore encouraged initiatives to promote awareness of the Global Fund's values and mission among staff.

4. Tenure of contract has one of the major concerns raised by staff in recent years. A greater focus on workforce planning has resulted in an increase in the proportion of staff on fixed term contracts from 60 per cent of all staff in 2006 to about 70 per cent in 2007. The majority of new positions being advertised are fixed term positions.

5. The number of women in senior management positions has increased to 38 per cent, 4 per cent higher than at this time last year. The percentage of women in the Secretariat at all levels remains high, at 60 per cent of total staff.

6. The Secretariat continues to be diverse in terms of geographical and regional representation. The current recruitment drive is reaching out as widely as possible to under-represented regions through increased use of recruitment and development-related websites, communications with partners to share job announcements and targeted advertising in publications in parts of the world where the reach of information technology is less effective.

#### *Moving to the new structure*

7. The new structure of the Secretariat, including the names and functions of each of the five Clusters<sup>3</sup>, 15 Units and their composite teams was finalized following a series of consultations with staff in November and December. Staff allocations for each Cluster were developed by cluster focal points and discussed in a series of "mini-Town Halls" which I held with each Cluster. The staff allocations include 110 new positions within the budget approved by the Board in November 2008. Implementation of the new structure will commence at the end of April and should be completed by the end of June. This will coincide with a reconfiguration of the office space at the Global Fund, including expansion to the 8<sup>th</sup> and 9<sup>th</sup> floors of the building, which are currently being refurbished.

8. The new structure addresses the recommendations of BAH that the Secretariat structure should be sufficiently scalable to accommodate the anticipated growth of the Global Fund, and that there be a manageable span of control across the Secretariat with strong vertical lines of reporting, clear delineation of roles, more efficient decision-making and a culture of trust and team work. At the same time, the structure aims to improve transversality – close collaboration across clusters and teams – especially in key areas such as partnerships with civil society and the private sector, demand mobilization and the elaboration and implementation of Board and Secretariat policies.

9. The Executive Office has been strengthened with the appointment of Enrico Mollica, former member of the EU delegation on the Global Fund Board, as my Chief of Staff. Enrico's responsibilities will include managing the Executive Office and liaison between me and the Board. I have also appointed Jean-Paul Moatti, Professor of Economics at the University of Marseilles, as a senior advisor.

10. All senior management positions at the Cluster and Unit Director levels were opened for competition earlier this year. Panel interviews for the five Cluster Directors were completed in mid-April, and I am grateful to colleagues who have served as panel members. I am now interviewing candidates proposed to me by the panels, and hope to announce the new senior leadership team for the Global Fund Secretariat in the next few weeks. The advertisement for the Senior Gender Policy Officer ("Gender Champion") was posted in mid-April.

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<sup>3</sup> Country Programs (CP); Strategy, Policy and Performance (SPP); Finance and Procurement (FP); Partnerships, Communications and Resource Mobilization (PCRM); and Corporate Services (CS).

11. Although some staff will move to new Clusters and/or Units and some reporting lines will change, most staff will retain their present functions within the new structure.

*Establishing the Global Fund administration*

12. The move to the new structure occurs within the context of additional change in the Secretariat arising from the transition from the Administrative Services Agreement with WHO and the anticipated move to the new WHO information technology platform – the GSM - in June. The latter involves significant disruption to the Global Fund's travel and payments processing in April and May, and significant training for all Secretariat staff.

13. A Change Management Team – led by Helen Evans and me – is overseeing the implementation of the new structure and procedures and is coordinating its work closely with the ASA Steering Group. As the challenges of these processes have become more evident in recent months, I have asked Helen to focus the majority of her time and energy on issues relating to the implementation of the new restructure and the ASA transition.

14. As recommended by both BAH and Study Area 1 of the Five Year Evaluation, and necessitated by the termination of the ASA, a human resources strategy for the Secretariat is being developed. Its key principles, which will guide the development of a modern and attractive remuneration and benefits package, pension plan and related human resource policies, are to be considered by the Board at this meeting. Consistent with the BAH recommendations, the strategy aims to create a workplace that rewards staff performance, promotes internal values consistent with the Global Fund's mission and promotes learning and self-evaluation.

15. Staff are well engaged with the process, having been informed about and involved in all aspects of the transition from the ASA, for example through brown bag lunches on key topics such as pensions and remuneration and two Town Hall Meetings I have held this year about the ASA. Ashridge Consulting Group has held two staff “clinics” in which staff members can express major concerns in a confidential environment. In response to the BAH recommendations and findings from recent annual staff surveys, a Leadership and Management Development Program commenced in mid-March to enhance the skills of senior managers across the Secretariat.

16. The Staff Council has convened several working groups to provide input to policy development in key areas. An ASA SharePoint on the Global Fund intranet makes all documents relating to the transition available to staff, and includes a Suggestion Corner through which staff members can submit ideas to the ASA Steering Group.

17. I thank all staff for their contribution to developing the Global Fund workplace of the future, particularly the members of the Staff Council, its Chair Pdraig Power and Vice Chair Alex Lang.

18. Although the transition to the Global Fund's own administrative systems is well under way, further work is required on remuneration and compensation package for staff including some aspects of the pension scheme such as retirement age, portability, employer contribution and guarantee of investment return. Further attention is also required to the taxation impact of Global fund salaries for staff in a number of countries and the development of a simplified, performance-based remuneration structure. At the same time, the Secretariat faces a number of the challenges largely beyond its control, including the need to move to the new WHO IT platform in June, which is likely to push the implementation of the Global fund's own platform into the second quarter of 2009. Delays have also occurred in the approval of consulting contracts by WHO, along with other complexities.

19. For these reasons, the Board is being asked to agree to a phased transition, concluding no later than September 1, 2009. Under this arrangement, staff would still transition to Global Fund contracts on January 1, 2009, but on the same salary package as they presently enjoy with WHO, under a transition agreement for the provision of payroll services to be negotiated with WHO. It is anticipated that corporate purchasing, travel, security and pensions will all be ready to be administered by the Global Fund from January 1, 2009. The proposed arrangement adheres to a significant extent to the timeline established by the Board last November, while allowing some additional flexibility for the Secretariat to fully customize and implement IT systems and human resources policies that meet the Global Fund's needs.

20. Discussions are underway with GAVI about the possibility of collaborating in a number of areas including the new pension scheme. The possibility has also been raised of co-locating with GAVI and other Geneva-based health organizations to a proposed "health campus" in the Jardin des Nations when the current Global Fund lease expires in 2013.

## **CONCLUSION**

1. My first year as Executive Director has been a remarkably full one. The Global Fund completed its largest funding round ever, disbursed more funds than ever before, and held the largest ever replenishment in global health. A comprehensive review of the Secretariat was undertaken and a new structure is ready to be implemented following this Board meeting. The Fund continues to lead and innovate through outstanding initiatives such as Debt2Health and, potentially, the AMFm. Much time and effort has been devoted to enabling a transition from the "temporary" administrative arrangements of the last six years to creating the Global Fund workplace of the future.

2. All this has been possible only because of the tremendous dedication and professionalism of the Secretariat staff. Change and growth do not come without difficulties. I ask Board members for their understanding and recognition of the challenges faced by staff as they manage the pressures large and small associated with this year of change, in addition to delivering on their daily responsibilities. The Secretariat is presently at the very limit of its capacity to deliver on the major new initiatives with which it has been tasked.

3. As we look forward to Round 8 and the year ahead, we find that the Global Fund is part of an increasingly complex landscape in global health and a challenging discourse that has too often placed the fight against the major diseases of poverty in opposition to the broader strengthening of health systems. All of us must work to ensure that we effectively communicate about the effective contribution of disease-targeted programs to health and development, and that we avoid a situation in which responses to AIDS, TB and malaria are questioned at the very moment that they begin to show real impact. Several major events this year provide critical opportunities to showcase the beneficial impact of the Global Fund model and the many successful programs that it supports.

4. Amidst all the changes that we make in 2008, the processes reviewed, the structures and strategies implemented, the partnerships forged and the exciting projects brought to completion, we must always remember that reaching people – from the largest cities to the most remote communities – is at the heart of everything that we will do together as the Global Fund in the year ahead.

5. I wish the Board productive deliberations at its 17<sup>th</sup> Meeting.

Michel D. Kazatchkine  
April 16, 2008

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