



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Report of the Executive Director



Eighteenth Board Meeting

New Delhi, India 7-8 November 2008



Investiendo en nuestro futuro
El Fondo Mundial
De la lucha contra el VIH, la tuberculosis y la malaria



投資我們的未來
全球基金
關注艾滋病、結核和花柳



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Investing in our future
Глобальный фонд
для борьбы с ВИЧ, туберкулезом и малярией



استثمار المستقبل
الصندوق العالمي
لمكافحة الإيدز والتبلي والماляريا

Context as we meet in India

- Record level of demand and amount recommended by TRP in Round 8
- Global financial crisis and economic downturn
- Record level of disbursement likely in 2008
- New initiatives - ongoing innovation
- New Secretariat structure implemented
- Move to own administrative systems and human resource policies on January 1, 2009
- Five Year evaluation SA2 findings



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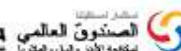
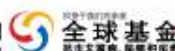


Results: Top 3 Global Fund indicators

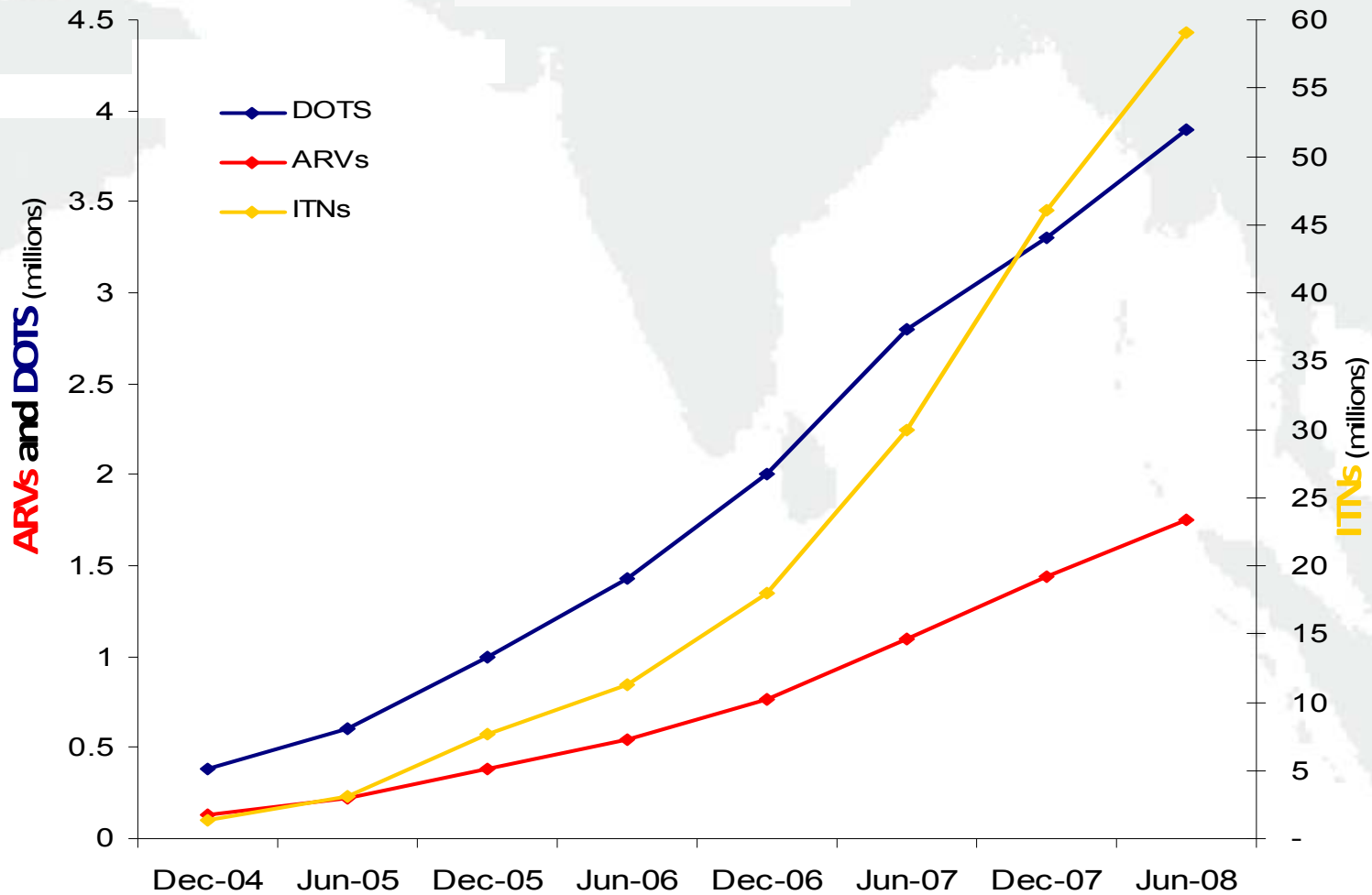
Indicator	Mid 2007	Mid 2008	% increase since mid 2007	GF target end 2008
HIV: People on ART	1.1 million	1.75 million	59%	1.8 million
TB: DOTS treatment	2.8 million	3.9 million	39%	4.5 million
Malaria: ITNs distributed	30 million	59 million	97%	70 million



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Acceleration of scale up



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Disbursements

Year	Yearly Disbursement Target (\$ million)	Disbursed at October 31 (\$ million)	Disbursement rate October 31	Disbursed end-December (\$ million)	Yearly Result v KPI
2006	1,400	858	61%	1,322	94%
2007	1,700	1,210	71%	1,727	102%
2008	2,200	1,676	76%	On track	



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Portfolio overview (1): Key attributes at 31 October

- \$6.6 billion disbursed, 562 grants in 136 countries
- 58% of total funds committed to grants in sub-Saharan Africa
- 61% of funds approved for AIDS; 14% for TB; 25% for malaria



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Portfolio overview (2): Health systems strengthening

- 35% (nearly \$4 billion) of approved financing is for key health systems components
- In addition, innovative cross-cutting HSS funding:
 - \$186 million approved in Round 7
 - \$ 290 million recommended by TRP in Round 8 (health workforce, information systems, supply chain management, community service delivery)
- Global Fund supports workforce capacity: 96% of grants have a training component
- Majority of Round 8 proposals include community systems strengthening



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Portfolio Overview (3): Targeting resources effectively

- **Regions**
 - 60% of approved funds in Rounds 1-7 are for sub-Saharan Africa
 - 65% of funding for orphan support is for southern Africa region
- **Diseases**
 - 35% of Global Fund financing for ART is for southern Africa region
 - \$1.5 billion approved for 19 African countries that account for 90% of malaria burden in Africa
 - More than \$1 billion approved for 22 high burden countries that account for 80% of global TB incidence
 - The Global Fund supports programs in 18 of 27 countries that are high priority for MDR-TB



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Round 7 grant signing

Status at November 3	Number of Grants
Signed	76
Not signed	5*
Extended deadline because of appeal	1
Extension requested	8
Total	90

*Due to be signed before 12/11



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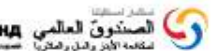
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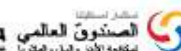
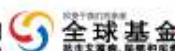
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Status of Rolling Continuation Channel

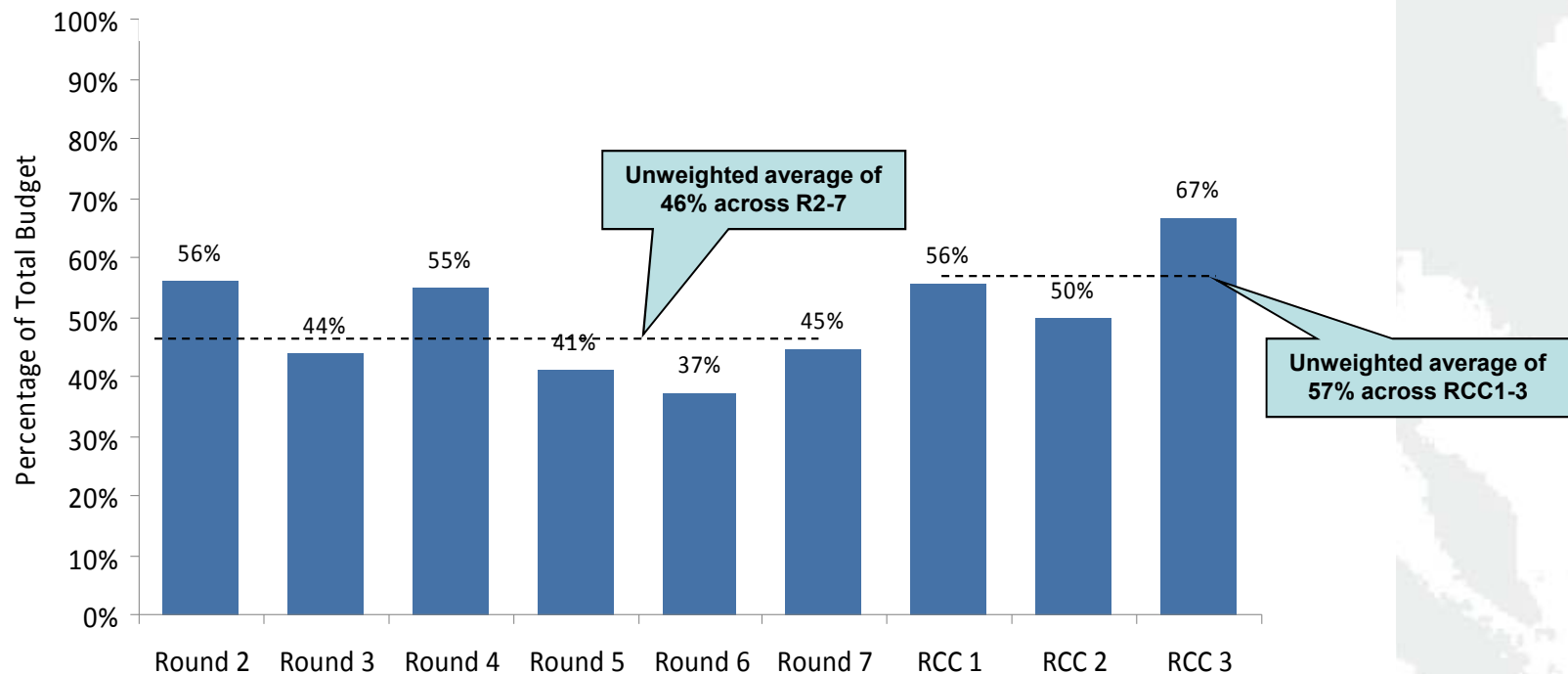
RCC Wave	Proposals received			Success rate		
	Initial submissions	Resubmissions	Total	Initial submissions	Resubmissions	Overall
1	10	N/A	10	(5) 50%	N/A	50%
2	10	N/A	10	(6) 60%	N/A	60%
3	7	5	12	(3) 43%	(5) 100%	67%
4	8	2	10	(3) 38%	(2) 100%	50%
Total	35	7	42	(17) 48%	(7) 100%	57%



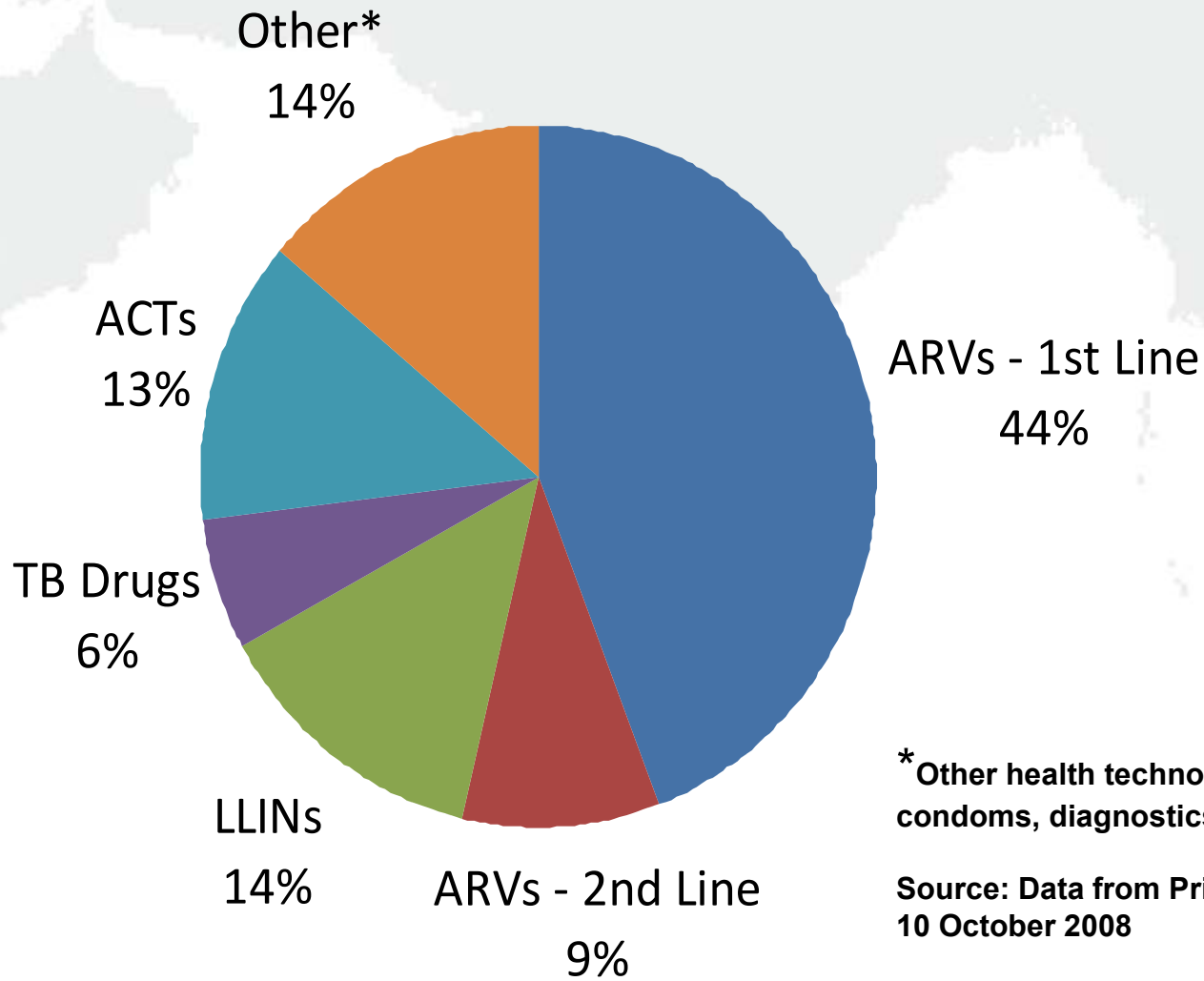
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Proportion of approved budget proposals allocated to pharmaceutical and health product procurement has varied across Rounds 2-7 and RCCs 1-3



Procurement: Expenditures reported in PRM since 2007



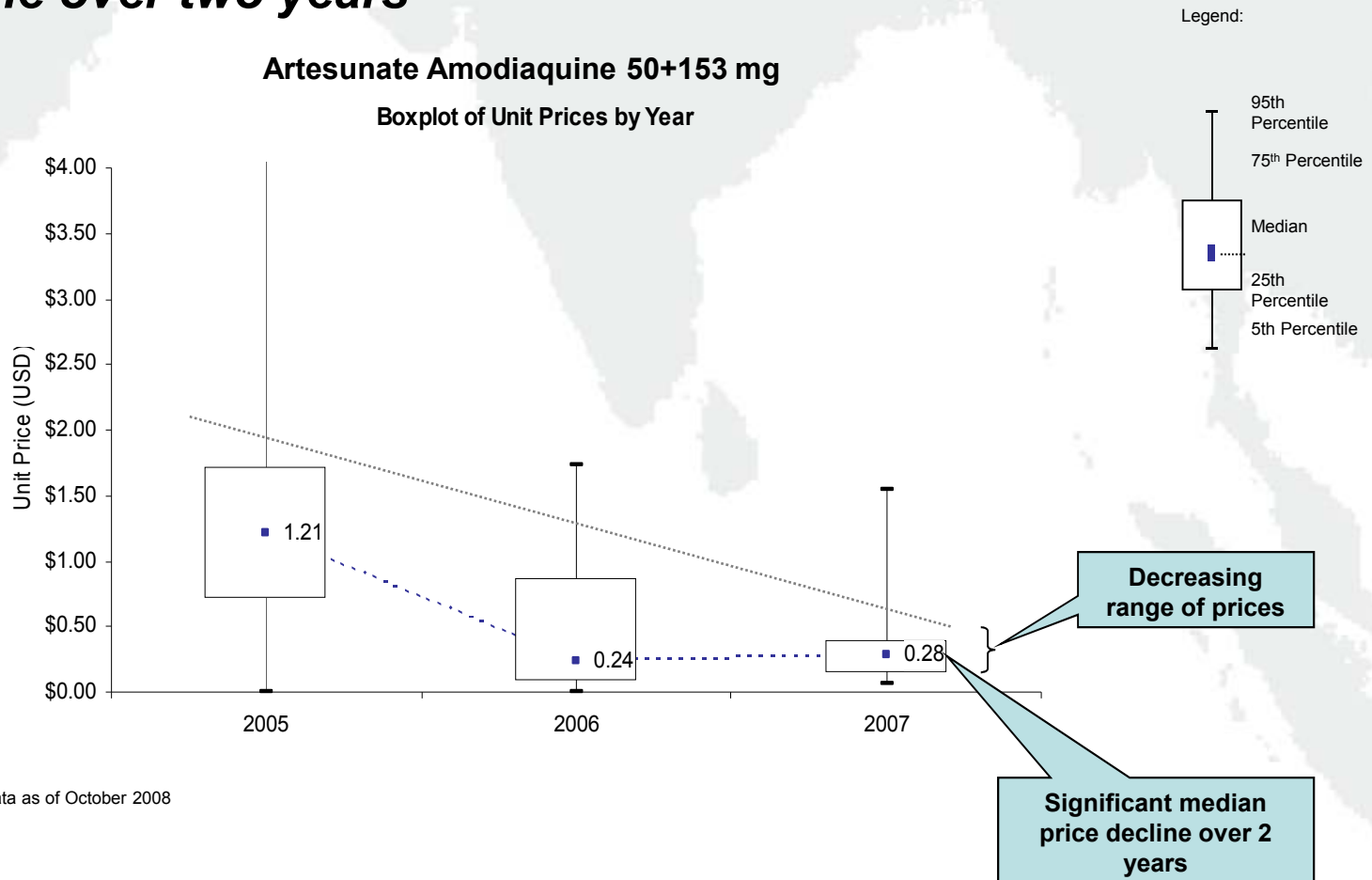
* Other health technologies including condoms, diagnostics and medical supplies

Source: Data from Price Reporting Mechanism
10 October 2008



Increase in PRM reported procurement data allows for initial analysis of price trends

Example of ACT with decreasing variation in prices and substantial price decline over two years



Source: PRM data as of October 2008

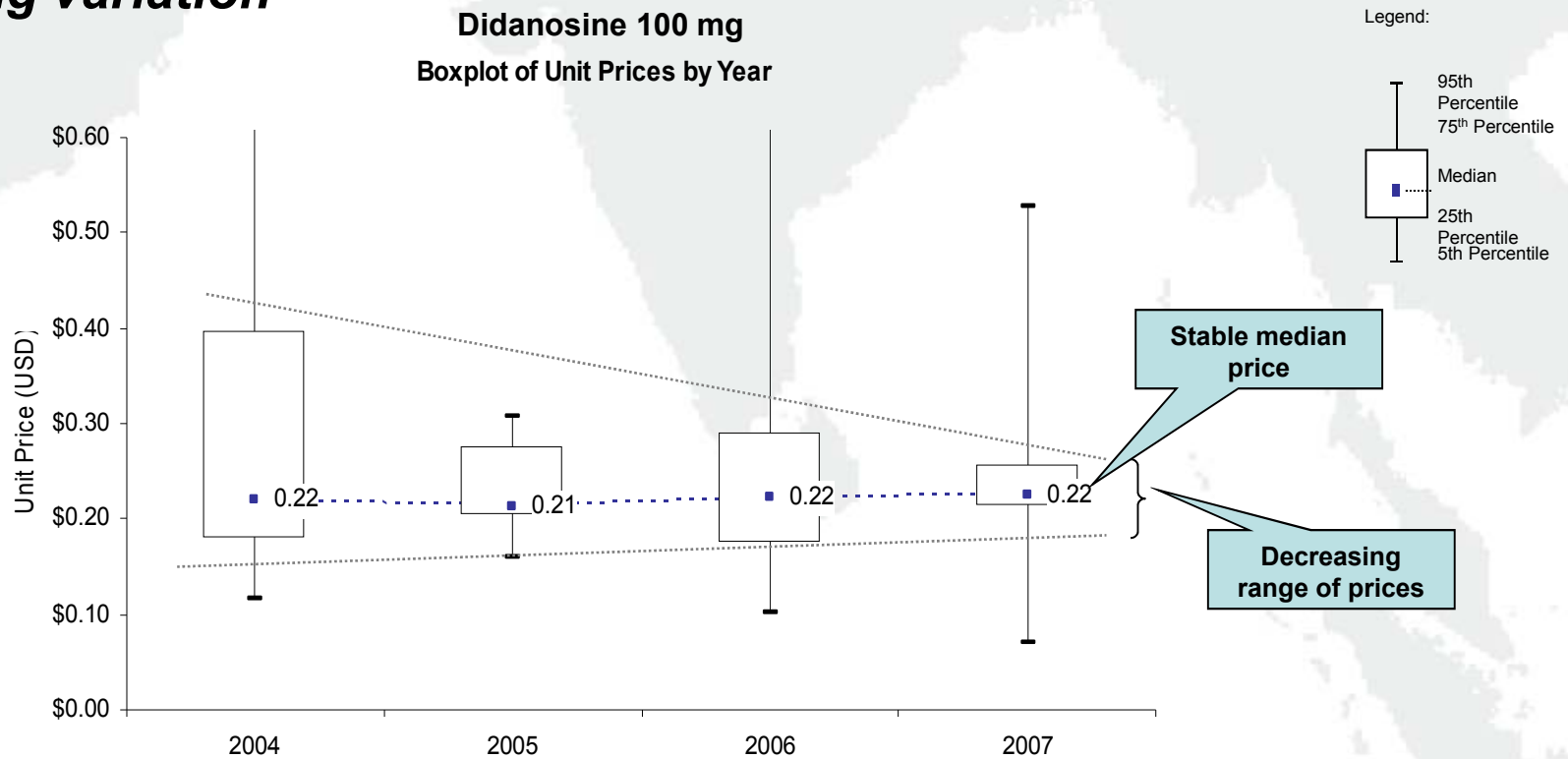


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Increase in PRM reported procurement data allows for initial analysis of price trends

Example of second line ARV with stable median price and generally decreasing variation



Source: PRM data as of October 2008



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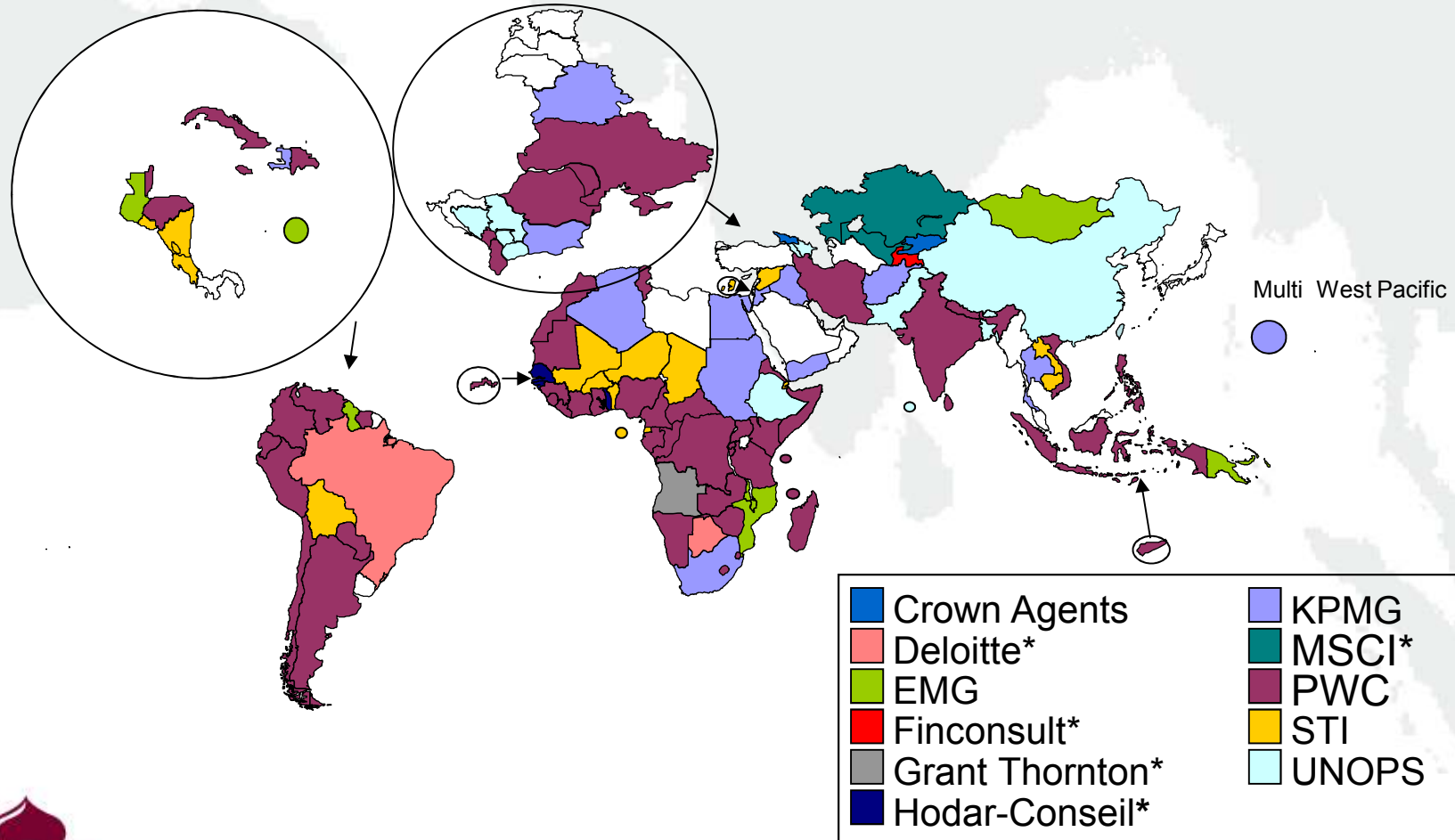
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LFA re-tendering



*New LFA



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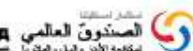
Measuring and improving aid effectiveness

Principle	Global Fund aid effectiveness scorecard	2007 n=54	2010 target
Ownership & Alignment	Grants aligned with country cycles	62%	90%
	Use of national financial reporting procedures*	52%	69%
	Countries with parallel implementation units	13%	5%
Aid is predictable and untied	Actual/expected disbursements	95%	95%
	Percentage of aid that is untied	100%	100%
Harmonization with partners	Finance supports program-based approaches	95%	95%
	Coordinating analytic reports	22%	50%
Managing for results and accountability	Transparent & monitorable performance frameworks	100%	100%

**Only monitored for aid disbursed to government. Results relate to total volume of aid disbursed in monitored countries.*



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Round 8

Proposals recommended for funding by disease*

Disease	Proposals recommended	Success rate	2 year upper ceiling recommended (\$ million)
HIV (including HSS)	37 of 76	49%	1,164
TB (including HSS)	29 of 57	51%	327
Malaria (including HSS)	28 of 41	68%	1,568
Total	94 of 174	54%	3,059

APPROVAL RATES

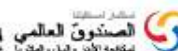
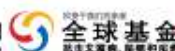
Round 5: 31 %
 Round 6: 43 %
 Round 7: 49 %
 Round 8: 54 %

* Includes Categories 1, 2 and 2B

Dollar amounts adjusted since TRP report to Board based on changing exchange rates



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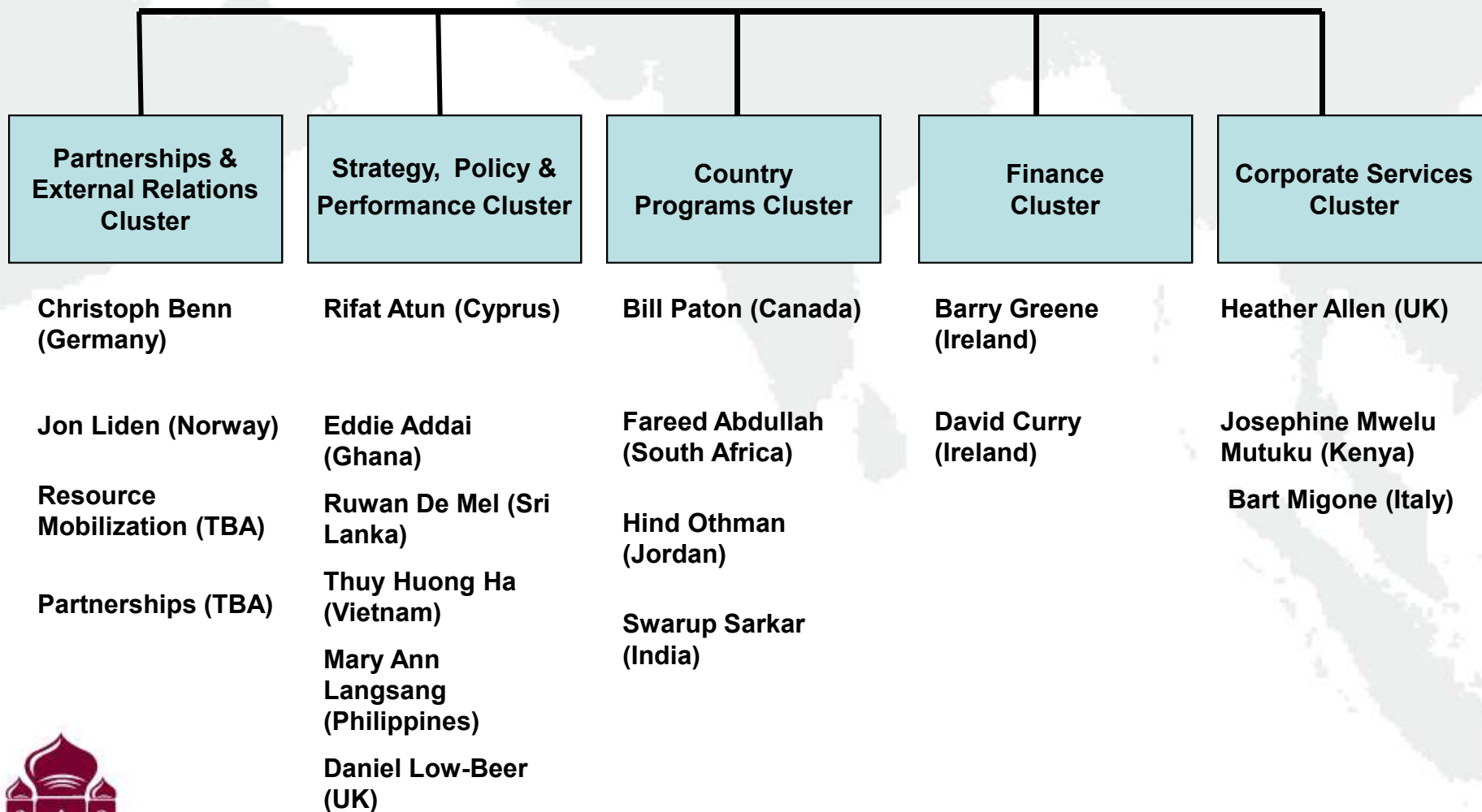
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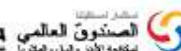
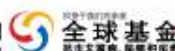
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Secretariat: Cluster Directors and Unit Directors

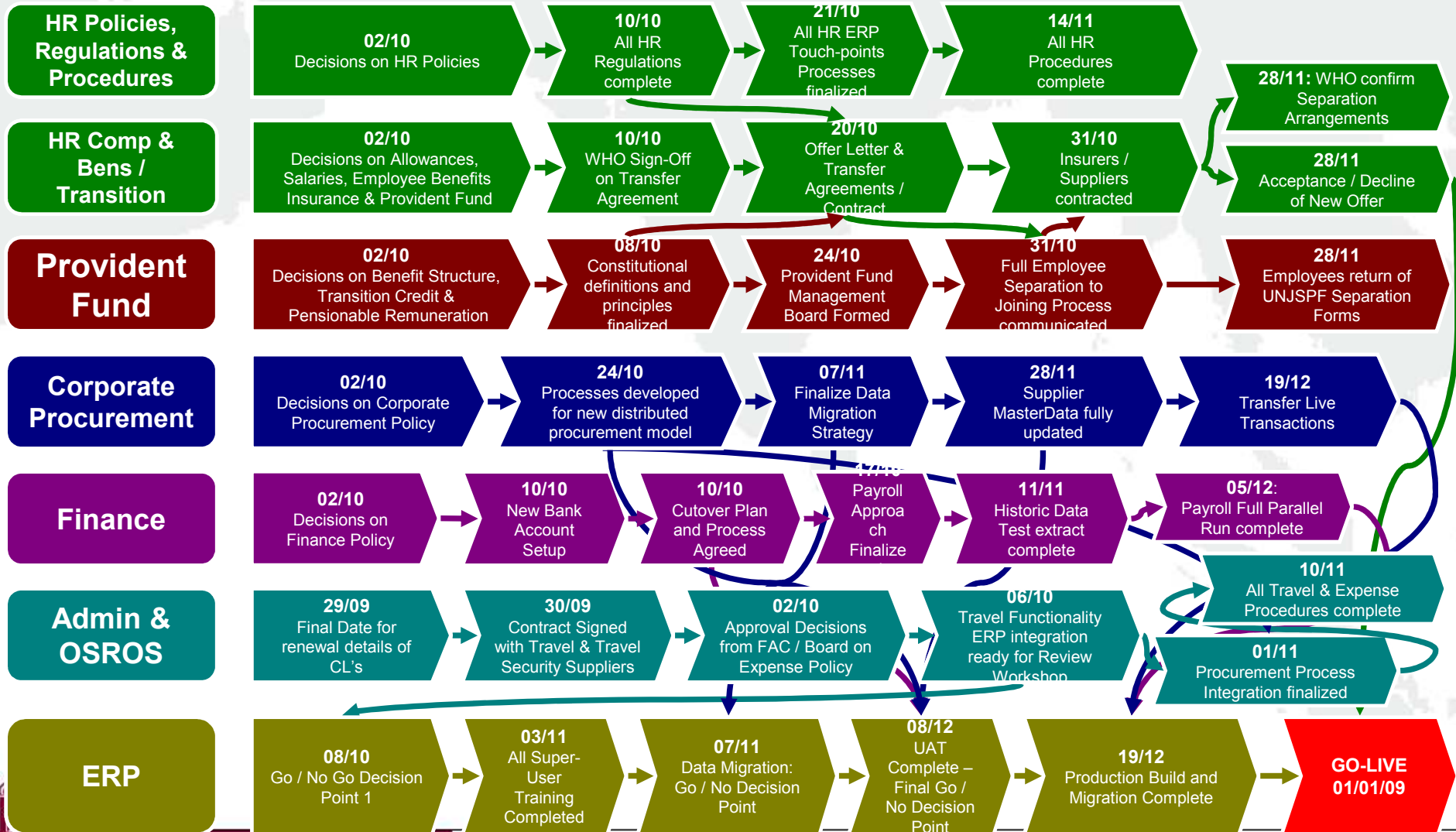


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Leaving the Administrative Services Agreement

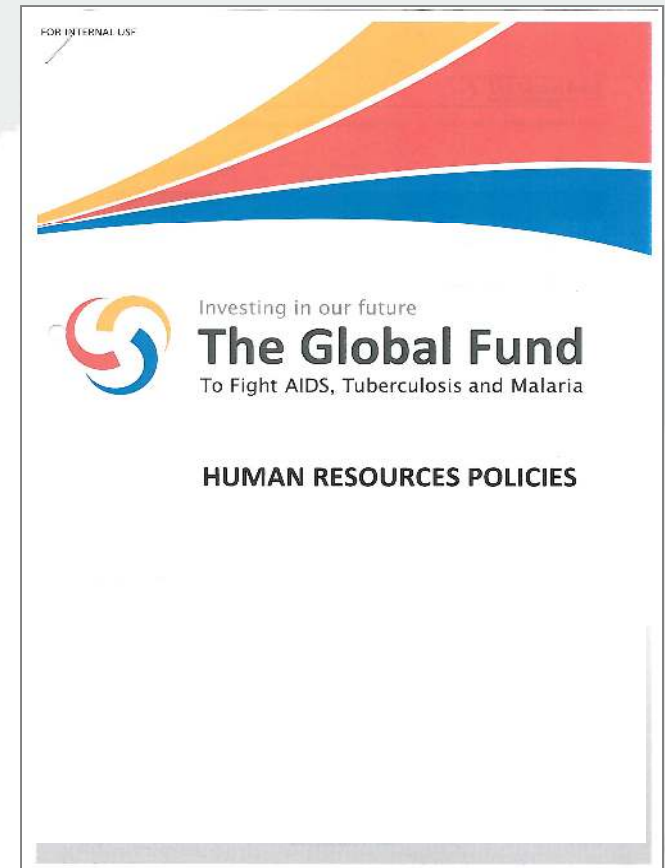
Critical Path Overview Sept 08 – Jan 09



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Human resources framework

- Flexible and competitive salary scale
- Simplified allowances
- Portable cash-benefit Provident Fund
- Human resources strategy and policies
- Significantly improved health insurance plan



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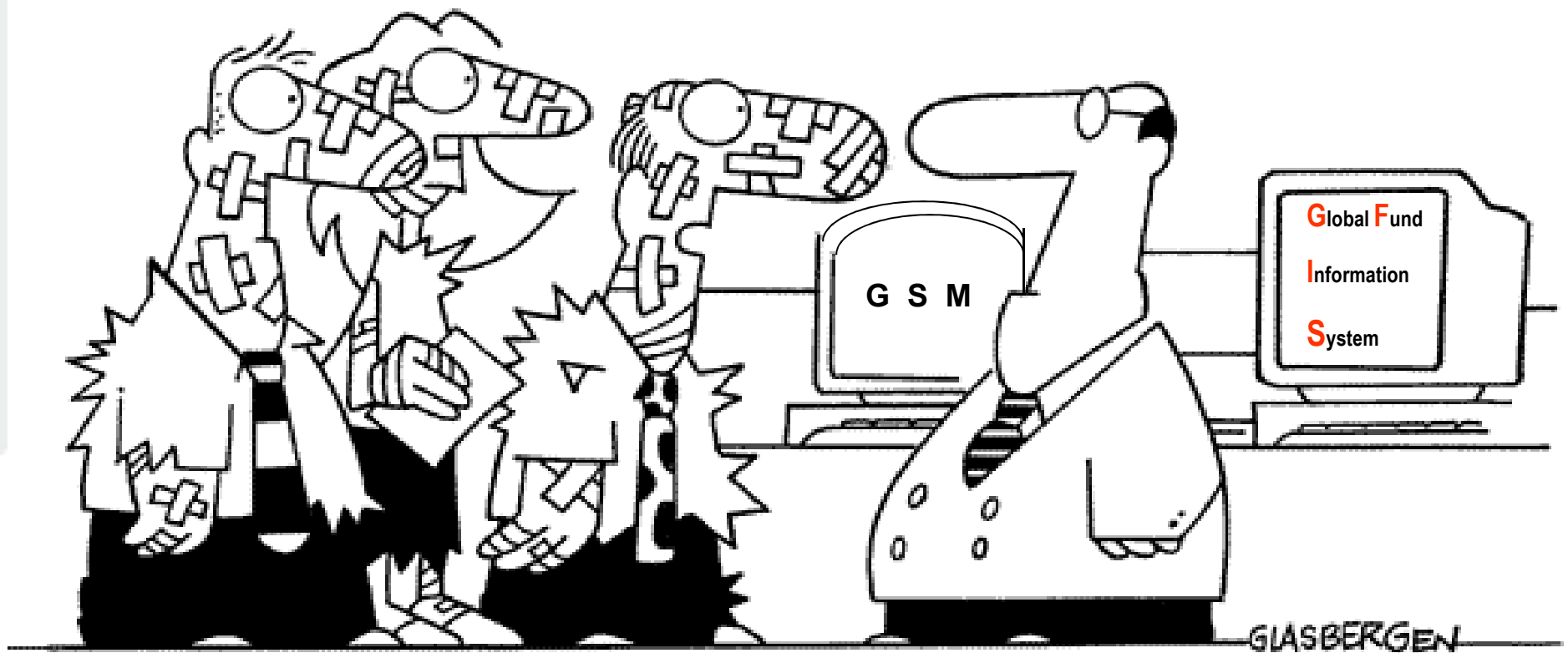
Staff health insurance from 2009

- Same cost as current WHO health insurance with significantly improved benefits
- Available to spouse / domestic partner, children and other dependents
- 100% reimbursement for HIV/AIDS and other chronic conditions
- 90% reimbursement for most other health care (WHO = 80%)
- Catastrophic coverage (100% reimbursement) when expenses exceed 3% of salary (WHO = 5%)
- 75% of claims settled in 5 working days (WHO = weeks)



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“Frankly sir, we’re tired of being on the cutting edge of technology.”



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A learning organization

- SA1: Activities underway to address all recommendations
- SA2: Ongoing consultation process
 - » Implementers' Meeting, Kampala, June
 - » International partner consultation, Geneva, September
 - » Bi-and multilateral partners, Maputo, October
 - » Board retreat, October; E-forum
 - » Partnership Forum, Dakar, December
- SA3:
 - TERG reviews final report end February
 - PSC receives final report April
 - Management response to next Board



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The Global Fund in 2009

- **Delivering ongoing programs**
- **Accommodating big increase in demand**
(signing Round 8 grants)
- **Serving countries better**
 - Simplifying processes in existing architecture
 - Architecture review
 - Improving communications
- **Disease-focused and people-centered**
 - AMFm
 - Gender and sexual minorities strategies



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