



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Report of the Policy and Strategy Committee

Amb. Lennarth Hjelmåker, PSC Chair



Eighteenth Board Meeting

New Delhi, India 7-8 November 2008



Agenda

Key Performance Indicators

For information

International Health Partnership

For information

Global Fund/United Nations Relationship

For decision

**Memoranda of Understanding with Islamic
Development Bank and Stop TB Partnership**

For decision

Gender Strategy

For decision

Global Fund Architecture

For decision

National Strategy Applications

For decision



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Key Performance Indicators (KPIs)

PSC discussion and outcomes (1/2)

The PSC:

- assessed the results achieved against the KPIs at mid-2008 and discussed a new KPI framework and set of indicators (incl. targets for 2009);
- acknowledged the Secretariat's report on the mid-2008 KPI results, recognized its solid performance; and
- commended the Secretariat's work on the development of a new KPI framework, and supported the proposed framework and the corresponding indicators and targets for 2009 with a few modifications (→ Part 3 of document GF/PSC10/07 – revision 1).



Key Performance Indicators

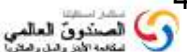
PSC discussion and outcomes (2/2)

The PSC:

- noted that reporting will occur separately from the KPIs on a number of additional issues; and
- requested that work on the gender equality and sexual minorities strategies provides clear indicators for measuring progress in these areas and highlighted the value of gender indicators at any or all levels (e.g., grant performance, systems effects).



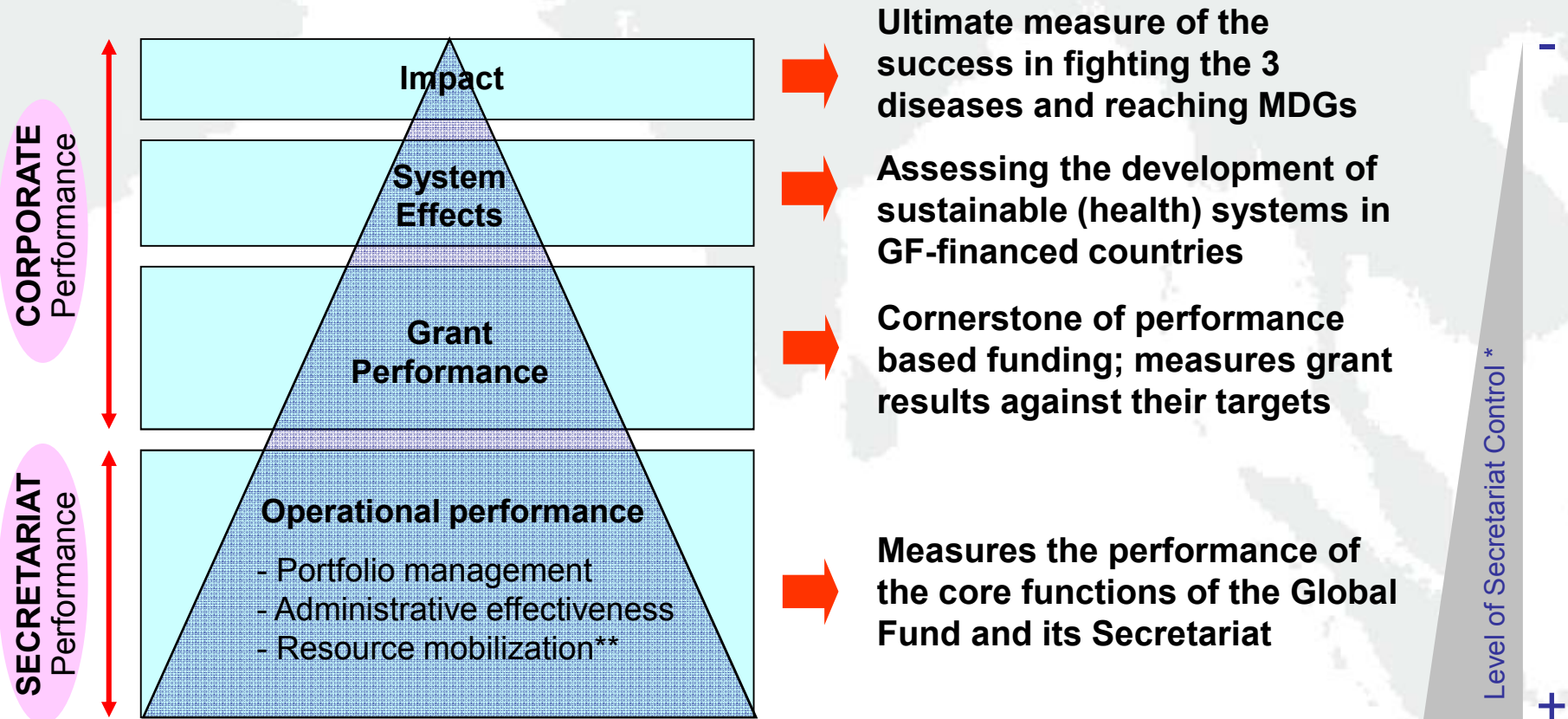
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Key Performance Indicators

New approved framework for KPIs

Based on GF four-tier Performance Measurement Framework

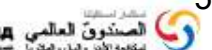
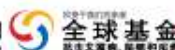


* The level of control of the Secretariat diminishes as we move-up the Performance Measurement Framework towards Impact.

** Joint Secretariat-Board responsibility.



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Key Performance Indicators

Decision taken by the PSC

Key Performance Indicators: Mid-Year Results for 2008 and KPIs for 2009

1. The PSC takes note of the mid-year results for the 2008 key performance indicators (KPIs) presented by the Secretariat and recognizes its solid performance. The PSC is satisfied with the explanations provided for the targets not met and the proposed corrective actions.
2. The PSC approves the new KPI framework and the corresponding indicators and targets for 2009, as listed in Part 3 of document GF/PSC10/07 (revision 1). For the KPIs numbered 14 and 20 through 24, for which there is no baseline yet available or no target set, the PSC will decide on the targets for these indicators at its first meeting in 2009.

This decision does not have any material budgetary implications.



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International Health Partnership

PSC discussion and outcomes

- The PSC:
 - supported the spirit and work of the IHP+;
 - welcomed the GF's engagement in its further development based on the Fund's principles and business model;
 - emphasized the importance of bringing GF principles into the IHP+ work, in particular its models for performance-based funding and meaningful multi-stakeholder involvement; and
 - stressed the need for all Board constituencies to communicate the GF's core principles and business model at country level.



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Global Fund/UN relationship

Context

- At its Sixteenth Meeting, the Board requested the Secretariat to prepare a policy statement on the future status of the GF within the UN system after the termination of the Administrative Services Agreement (ASA) relationship (GF/B16/DP21).
- A working group was established to guide the Secretariat
 - It has considered the respective mandates of the GF and UN partners, the current status of the strategic and operational partnership and the mutual accountability between the GF and the UN at the global, regional and country level;
 - Concerning the future relationships between the GF and the UN, the working group will focus on the three interrelated, but distinct levels:
 - Global UN system (including the issue of Observer Status at the UN General Assembly);
 - Global Architecture for health, AIDS and development finance, with special reference to the UN; and
 - Country level multi-stakeholder partnerships for MDG 6, with special reference to the UN.



PSC discussion and outcomes

- The recommendations of the working group were presented to the PSC;
- The PSC recognized that Observer Status at the UN General Assembly (GA) is normally granted to intergovernmental organizations; while the GF is not such an organization, it shares many of their defining characteristics, thus justifying a request for Observer Status;
- Since Observer Status in the GA would not automatically lead to representation on the governing boards of specialized UN agencies (e.g., the WHO), it was noted that this should be dealt with separately.



Recommended decision point

Relationship between the Global Fund and the United Nations (UN)

The Board takes note of the approach presented in the Draft Outline for a Policy Statement on the Relationship between the Global Fund and the UN System, to be further developed by the Working Group and the Secretariat as a basis for an agreement on a new strategic partnership between the Global Fund and the UN system, to be presented at the Nineteenth Board Meeting.

The Board endorses the initiative that the Global Fund, through its Executive Director, take steps to pursue a decision by the 63rd UN General Assembly to grant Observer Status to the Global Fund.

This decision does not have material budgetary implications.



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MoUs with IsDB and Stop TB

PSC discussion outcomes

The PSC:

- supported the Secretariat's effort in strengthening partnership through the establishment of MoUs with relevant partners;
- welcomed the presented draft MoUs between the GF and the IsDB and between the GF and the Stop TB Partnership;
- noted the need to integrate items relevant to the GF, such as gender equality, into the final versions of the MoUs; and
- noted the need to report back to the PSC if there are material changes to the principles in the MoUs.



MoUs with IsDB and Stop TB

Recommended decision points (1/2)

Memorandum of Understanding with the Islamic Development Bank

The Board notes the Secretariat's continued focus on strengthening the Global Fund's relationship with its key partners in the fight against the three diseases.

In this context, the Board expresses its satisfaction with and endorsement for the principles of the memorandum of understanding with the Islamic Development Bank (the "IsDB MoU"), and requests the Executive Director to finalize and sign the IsDB MoU.

This decision does not have material budgetary implications.



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Recommended decision points (2/2)

Memorandum of Understanding with the Stop TB Partnership

The Board notes the Secretariat's continued focus on strengthening the Global Fund's relationship with its key partners in the fight against the three diseases.

In this context, the Board expresses its satisfaction with and endorsement for the principles of the revised memorandum of understanding with the Stop TB Partnership (the "Stop TB MoU"), and requests the Executive Director to finalize and sign the Stop TB MoU.

This decision does not have material budgetary implications.



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Gender strategy

Context

- At its Sixteenth Meeting, the Board recognized the importance of addressing gender issues more substantially in the GF's policies and operations, with a particular focus on the vulnerabilities of women and girls and sexual minorities, in the fight against the three diseases.
- The agreed approach was to pursue two separate strategies: one towards gender equality and equity with a particular focus on women and girls, and another on the particular challenges facing sexual minorities.
- The PSC appreciated the effort made to include a broad range of views on these strategies.



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Gender strategy

PSC discussion and outcomes (1/2)

The PSC:

- agreed that the **gender equality strategy** needed to send a strong message that countries were expected to do more to address inequalities within their programming for the three diseases;
- agreed to look at the structural drivers of these inequalities and eliminate them;
- noted that this should be done primarily through incentives, capacity building and support rather than strict requirements;
- stressed the need to clearly convey the importance of eliminating gender inequalities both at the country and headquarter level;



Gender strategy

PSC discussion and outcomes (2/2)

The PSC:

- emphasized the crucial role of concrete tools to help get the message across;
- acknowledged the possibility of exploring additional innovative funding models and recognized that this would occur as part of the broader partnership strategy discussion.

The agreed next steps on the **sexual minorities strategy** included:

- encouraging the PSC to provide written comments and guidance on the current draft of the strategy;
- recognizing that consultations will continue at the Partnership Forum, GF regional meetings and among PSC constituencies; and
- discussing a final draft at the 11th PSC meeting with a decision to be taken at the Nineteenth Board Meeting.



Gender strategy

Recommended decision point

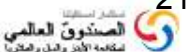
The Global Fund’s Strategy for Ensuring Gender Equality in the Response to HIV/AIDS, Tuberculosis and Malaria (“The Gender Equality Strategy”)

The Board approves “The Global Fund’s Strategy for Ensuring Gender Equality in the Response to HIV/AIDS, Tuberculosis and Malaria (“The Gender Equality Strategy”)” as set out in the Addendum to the Report of the Policy and Strategy Committee (GF/B18/4, Addendum).

This decision does not have material budgetary implications.



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Global Fund Architecture

PSC discussion and outcomes (1/2)

The PSC:

- endorsed, for recommendation to the Board, a “Single Stream of Funding per Principal Recipient (PR) per Disease”.
- stressed the following, for the Secretariat to consider in its ongoing design work:
 - Performance-based funding must remain a key operating principle for implementation of a single stream of funding;
 - A single stream of funding should be established for each PR for each disease, in a way that supports the Board’s recommendation of Dual-Track Financing, mitigates the risk of “PR entrenchment” and generally supports the GF’s principle of multi-stakeholder involvement in its work;
 - The involvement of the TRP in reviewing proposals must remain an important step in securing additional funding; the functions of the CCM must also be maintained; and
 - A single stream of funding per PR per disease should be implemented as soon as possible.



Global Fund Architecture

PSC discussion and outcomes (2/2)

The PSC also endorsed, for recommendation to the Board, the following changes to the GF's access-to-funding model, which are ready for implementation commencing in Round 10:

- Two application windows per annum;
- Rapid, robust TRP feedback to facilitate re-submission; and
- The ability for the TRP to recommend proposals based on the removal of specific elements.



Recommended decision point (1/3)

Global Fund Architecture

The Board acknowledges the work of the Policy and Strategy Committee and Secretariat in reviewing the architecture issues related to the current financing model of the Global Fund.

The Board recognizes that certain key improvements may be implemented immediately, while other potential improvements require further consideration and development.

A. Endorsement of a “single stream of funding per Principal Recipient per disease” model:

The Board endorses, in principle, that future architectural changes shall be based on a “single stream of funding per Principal Recipient per disease” model recognizing that:

1. The Secretariat will present to the Policy and Strategy Committee, at its first meeting in 2009, a detailed design for implementation of this model, including an analysis of all necessary changes to Global Fund policy required to implement this model; and
2. The Policy and Strategy Committee will present the model for Board approval at the Nineteenth Board Meeting.

[...]



Recommended decision point (2/3)

[...]

B. Changes to be implemented beginning in Round 10:

Recognizing that the Board has made the following previous decisions in order to progress towards greater alignment of Global Fund processes with country cycles:

- To announce, with significant advance notice, a fixed set of dates for future rounds of funding (GF/B14/DP12) and to call for two rounds of funding in 2008 (GF/B17/DP23);
- The opportunity for applicants to re-submit a revised version of the same proposal that was recommended by the TRP as a 'Category 3' proposal (GF/B17/DP23); and
- The opportunity for the TRP to recommend RCC proposals for funding conditional upon the removal of a limited set of specific elements from the disease proposal (GF/B14/DP9).

[...]



Recommended decision point (3/3)

[...]

The Board now decides to reflect the above decisions in future rounds, commencing with Round 10, as follows:

1. The Secretariat shall issue a minimum of two Calls for Proposals in each calendar year, which shall be issued at dates that fall 6 months after each other, and on as close to the same dates each year as is practicable;
2. Applicants whose proposals are recommended as 'Category 3' proposals by the TRP, shall be entitled to re-submit, in the next round, a revised version of the same proposal that was recommended by the TRP as a 'Category 3' proposal;
3. The TRP may, when recommending proposals as 'Category 1' or 'Category 2' (including 'Category 2B' proposals), recommend relevant proposals for funding conditional upon the removal of a limited set of specific elements from the disease proposal (which removal is not subject to a right of appeal); and
4. The Board requests the Secretariat to prepare amendments to the TRP Terms of Reference as necessary to implement the decisions described above.

The budgetary implications of this decision point in 2009 amount to US\$ 876,000 which includes an allocation for eight staff positions.



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National Strategy Applications

PSC discussion and outcomes (1/2)

IHP+
work
on
vali-
dation

The PSC:

- strongly re-emphasized the importance of ensuring meaningful multi-stakeholder engagement – including from civil society and the private sector – in all stages of the process;¹
- highlighted the value of the CCM in this respect; at the same time, it recognized the need for flexibility in form, as long as the principles underlying the CCM are preserved;
- strongly emphasized the need for transparency in relation to countries' pursuit of validation and the resulting outcomes;
- noted the importance of the IHP+ working group moving forward with the planned consultation process, which should include all relevant stakeholders and cover non-IHP+ countries.

¹ (the development, endorsement, validation, and implementation of a national strategy).



National Strategy Applications

PSC discussion and outcomes (2/2)

GF-specific work on NSAs

The PSC:

- stressed the need for the Secretariat to learn from practical experience to inform the broad roll-out of NSAs; and
- supported the Secretariat's proposal to implement the NSA approach through a phased roll-out, with a *first learning wave* in 2009.



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National Strategy Applications

Funding of NSA First Learning Wave

- Strong link between NSA First Learning Wave (FLW) and Board decision on Round 9, particularly:
 - Relative **timing** of FLW and R9
 - Relative **prioritization** of FLW vs. rounds applications (when concurrent)

- Will affect attractiveness to countries of participating in FLW
- Board needs to consider decisions on funding timing *holistically*, keeping in mind aspiration to have increasing proportion of GF applications evolve toward NSAs in future



National Strategy Applications

Recommended decision point (1/3)

Phased roll-out of National Strategy Applications, with First Learning Wave

The Board refers to its decision (GF/B15/DP17) on National Strategy Applications (“NSAs”), requesting that the Policy and Strategy Committee (PSC) recommend to the Board a plan and policies for bringing into operation a National-Strategy Applications procedure, based on the principles set forth in that decision. The Board reiterates its commitment to the development of a credible, shared validation approach for national strategies, which will form the basis of the NSA procedure once it becomes available.

To learn lessons with regard to other aspects of the NSA procedure, the Board authorizes the Secretariat to bring it into operation through a phased roll-out, which shall begin with a first wave of NSAs (“the First Learning Wave”) in a limited number of countries. The First Learning Wave shall be aimed at drawing policy and operational lessons to inform a broader roll-out of the NSA procedure.

The principles underlying the Board’s decisions on:

- “dual-track financing” (as described in GF/B15/DP14);
- the strategic approach to health systems strengthening (as described in GF/B15/DP6); and
- the Comprehensive Funding Policy (GF/B15/DP27)

shall be applied to the First Learning Wave.

[...]



National Strategy Applications

Recommended decision point (2/3)

[...]

The initial funding of grants in the First Learning Wave shall be approved by the Board for a period that shall not exceed two years.

The Board authorizes the Secretariat to make exceptions to existing policies and procedures to the extent necessary to implement the First Learning Wave. Such exceptions may relate, but are not limited, to the following:

- a) The type and format of information to demonstrate eligibility of the NSAs;
- b) The submission and review procedures and policies for applications for Global Fund financing (including the timing of submission and the format of applications);
- c) The Technical Review Panel (TRP) terms of reference, including TRP procedures, compensation arrangements for TRP members, criteria for review of NSAs (including the national strategy itself) and interaction with CCM members and other relevant stakeholders during review; and
- d) The Phase 2 review (including the timing of the Phase 2 review and renewal decision).

[...]



National Strategy Applications

Recommended decision point (3/3)

[...]

Any exceptions to existing policies and procedures made in connection with the First Learning Wave shall be consistent with the Framework Document of the Global Fund.

In implementing the First Learning Wave, the Secretariat shall take into account the outcome of the deliberations of the UNAIDS Programme Coordinating Board at its meeting in December 2008, the IHP+ consultations on the validation process and other relevant stakeholder consultations.

The Secretariat shall report to the PSC at its first meeting in 2009 on progress of implementation of the First Learning Wave. It will also propose to the PSC, once they have been identified, modifications to existing Global Fund policies that would be necessary to launch a broader roll-out of the NSA procedure.

The authority granted to the Secretariat under this decision point will continue for the duration of the grants approved within the First Learning Wave.

The budgetary implications of this decision point in 2009 amount to US\$ 1,782,000 which includes an allocation for eight staff positions.



National Strategy Applications

Recommended decision point (3/3) – amendment

[...]

Any exceptions to existing policies and procedures made in connection with the First Learning Wave shall be consistent with the Framework Document of the Global Fund.

In implementing the First Learning Wave, the Secretariat shall take into account the outcome of the deliberations of the UNAIDS Programme Coordinating Board at its meeting in December 2008, the IHP+ consultations on the validation process and other relevant stakeholder consultations.

The Secretariat shall report to the PSC at its first meeting in 2009 on progress of implementation of the First Learning Wave. The TRP-recommended applications emanating from the First Learning Wave shall receive the same funding priority as proposals submitted under the Rounds-Based Channel (provided that, in a resource-constrained environment, precedence is given to previously approved but unfunded rounds-based proposals).

~~The Secretariat~~ ~~it will also~~ propose to the PSC, once they have been identified, modifications to existing Global Fund policies that would be necessary to launch a broader roll-out of the NSA procedure.

The authority granted to the Secretariat under this decision point will continue for the duration of the grants approved within the First Learning Wave.

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