



Investing in our future

# The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Twentieth Board Meeting  
Addis Ababa, Ethiopia, 9-11 November 2009

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GF/B20/2  
For Decision

## REPORT OF THE NINETEENTH BOARD MEETING

### OUTLINE:

1. This document presents the draft Report of the Nineteenth Board Meeting and includes all decisions made at that meeting. The Report of the Nineteenth Board Meeting is subject to ratification by the Board of the Global Fund at its Twentieth Board Meeting on 9 to 11 November 2009 in Addis Ababa, Ethiopia.
2. Accompanying documentation from the Nineteenth Board Meeting is available at [www.theglobalfund.org](http://www.theglobalfund.org) or by writing to [board@theglobalfund.org](mailto:board@theglobalfund.org).
3. Decision Points are clearly indicated.

### Decision Point:

*The Board approves the Report of the Nineteenth Board Meeting.*

*There are no budgetary implications for this decision.*

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## **Agenda Item 1: Introduction and Welcome**

1. After welcoming new Board Members, Board Chair Mr. Rajat Gupta opened the meeting with a poem, "The Road Not Taken" by Robert Frost. He then commended the efforts of all those, both present and absent, who had contributed to the Global Fund's tremendous progress since its inception.

2. The Chair stated that the Global Fund had emerged as one of the most important financial instruments for global health and therefore had an obligation to be a strategic partner. The Chair noted the particularly rapid progress in the fight against malaria in the last few years and the increasingly focused attention being paid to gender issues as a result of the new gender strategy. He finished his opening remarks by stating that he had learned a great deal in his role as Chair and had had a wonderful experience working with the Global Fund Board.

3. In her remarks, Board Vice-Chair Ms. Elizabeth Mataka spoke of the substantial progress made by the Global Fund over the previous two years and made a special mention of the gender strategy, which she said would mean a great deal to women and girls in developing countries. She pledged that in her role as UN Special Envoy for AIDS in Africa, she would ensure that the UN continued to support this important strategy in partnership with the Global Fund. The Vice-Chair noted that the future leadership of the Board faced a number of challenges, including the issue of supply and demand and follow-up to the Five-Year Evaluation, and she wished them well. She also expressed the hope that the Global Fund would work to better engage program implementers in order to learn more about obstacles to implementation.

4. The Vice-Chair closed by saying that it had been a pleasure and an honor to serve on the Board of the Global Fund. She thanked the Board Chair, the Executive and Deputy Directors, the Secretariat staff - especially her liaison person, the Board members, and all delegations for their hard work and commitment, and she wished them all success in making the Global Fund a true leader in the fight against AIDS, tuberculosis (TB) and malaria. She paid special tribute to the Deputy Director, Ms. Helen Evans, for her commitment to global health in developing countries and her leadership on the gender strategy, and wished her all the best in her new role at the Global Alliance for Vaccines and Immunisation (GAVI).

## **Agenda Item 2: Appointment of the Rapporteur**

### **Approval of the Agenda**

### **Approval of the Report of the Eighteenth Board Meeting**

1. The Chair informed the Board that H.E. Dr. Leslie Ramsammy from the Latin America and Caribbean constituency had agreed to act as Rapporteur for the Nineteenth Board Meeting. The decision point was approved without discussion.

2. The Chair presented the agenda for the Nineteenth Board Meeting. The agenda was approved without discussion.

3. The Chair informed the Board that he had received minor amendments to the Report of the Eighteenth Board Meeting. The amendments had been accepted by that meeting's Rapporteur, and the amended report had been circulated to the Board. The Report was approved without discussion.

Decision Point GF/B19/DP1

*H.E. Dr Leslie Ramsammy from the Latin America and Caribbean constituency is designated as Rapporteur for the Nineteenth Board Meeting.*

*This decision does not have material budgetary implications.*

Decision Point GF/B19/DP2

*The agenda for the Nineteenth Board Meeting (GF/B19/1, Revision 3) is approved.*

*This decision does not have material budgetary implications.*

Decision Point GF/B19/DP3

*The report of the Eighteenth Board Meeting (GF/B19/2, Revision 2) is approved.*

*This decision does not have material budgetary implications.*

### **Agenda Item 3: Report of the Executive Director**

1. The Executive Director delivered a report updating the Board on operations and results; resource mobilization; and successes since the last Board meeting, including: the Partnership Forum; the Cáceres Midterm Review of the Secondary Voluntary Replenishment; the Secretariat's transition from the World Health Organization (WHO); the launch of two new Friends of the Fund organizations in the Pacific and in North Africa and the Middle East; two new memoranda of understanding signed with the Stop TB Partnership and the Islamic Development Bank; the support of Madame Carla Bruni-Sarkozy as Global Ambassador for the Protection of Mothers and Children Against AIDS; an award from the Global Health Council won by the Global Fund for its Access to Life exhibition; and a notable increase in media coverage of the Global Fund.

2. In his report, Executive Director, Dr. Michel Kazatchkine, thanked committee chairs whose terms were ending; Dr. Peter Godfrey-Faussett for his work in chairing the Technical Review Panel (TRP); the Technical Evaluation Reference Group (TERG) for its work on the Five-Year Evaluation; Spain for hosting the Midterm Review of the Second Voluntary Replenishment; the Global Fund's many partners; outgoing Chair Mr. Rajat Gupta and Vice-Chair Ms. Elizabeth Mataka for their hard work in leading the Board; those who had worked to launch the Affordable Medicines Facility for Malaria (AMFm); Ambassador Sigrun Møgedal for leading the working group that was pursuing a formal relationship with the UN; and Deputy Director Ms. Helen Evans for her many contributions to the Global Fund. He also extended a warm welcome to UNAIDS Executive Director Mr. Michel Sidibe, who was attending his first Global Fund Board meeting in this capacity.

3. The Executive Director highlighted the importance of the Global Fund in the context of the current global financial crisis and its consequences for developing countries, and he noted the growing evidence of Global Fund impact on HIV, TB and malaria morbidity and mortality. Among other topics, he also drew the Board's attention to efficiency gains made in Round 8 grants and in the Secretariat budget; the high proportion of new grants containing community systems strengthening components; the launch of

AMFm; the new gender strategy; the development of a risk management framework; the momentum of the first learning wave of National Strategy Applications with seven applicant countries; and the final results of the Five-Year Evaluation. He closed by wishing the Board a fruitful meeting.

4. In the subsequent discussion, delegates commended the Secretariat for a successful transition from WHO, and they thanked Deputy Director Ms. Helen Evans for her service and wished her well in her new position at GAVI.

5. Delegates welcomed news of the growing evidence of Global Fund impact on the three diseases. They also highlighted the importance of quality and sustainability of results, and several delegates talked about health systems strengthening (HSS) for sustainable service delivery and the need for stronger measures to assess the Global Fund's impact in this area. Delegates also noted that the Global Fund needed to ensure that work in the area of HSS was improving the coverage and quality of health services at the community level.

6. A number of delegates spoke of the need for greater harmonization and alignment of the Global Fund with other actors at global and national levels, particularly as National Strategy Applications were being piloted. Delegates urged enhanced communications between the Global Fund, particularly Fund Portfolio Managers (FPMs), and actors from all sectors in implementing countries as well as more joint messaging with partners, such as the recent joint communication from the Global Fund and GAVI.

7. Delegates asked questions about a number of issues, including resource mobilization from the private sector, grant efficiency, support for CCMs to implement the gender strategy, the action plan to follow-up on the Five-Year Evaluation, and the Partnership Forum 2008.

8. The Executive Director stated that he would respond broadly on three themes - resource mobilization, HSS and partnerships - and bilaterally to other questions and comments. He agreed with the stated urgency of resource mobilization, and he took the opportunity to introduce the new Director of Resource Mobilization, Mr. Stefan Emblad. He also acknowledged the frequent request from donors to measure the additionality of Global Fund financing. He further stated that the Millennium Development Goals could only be met if the commitments made as part of their creation were fully met by all donors.

9. The Executive Director noted that health systems were a key issue for the future and that the Global Fund, alongside the World Bank, was a major funder of health systems, with 35% of resources devoted to HSS since Round 1. He cited the large size of Round 8 as proof that substantial HSS had taken place between Rounds 2 and 8. He agreed that quantitative measures were needed and that the World Bank and the Global Fund would host a workshop in June 2009 to define joint indicators for HSS. He stated that there would be further reports at the next Board meeting on the harmonization of cross-cutting financing for HSS, such as the recent efforts between GAVI and the Global Fund.

10. Concerning partnerships, the Executive Director emphasized that this was an area of priority at all levels. He reported that a major theme of the January meeting of the H8 was a joint discussion between the heads of agency on common messaging concerning the financial crisis. He added that he had emphasized greater communication by FPMs with in-country partners when they were in the country. He called upon bilateral and multilateral partners to support the Global Fund's partnership building with in-country representatives of all agencies. He also introduced Dr. Anthony Seddoh, the new manager of the new Southern Constituencies Team, which would be devoted to supporting implementing country partners, including enhanced communications. The Executive Director also

remarked on the importance of mechanisms such as the Voluntary Pooled Procurement system, which would also contribute to capacity building.

11. Following the report of the Executive Director, the Board Vice-Chair invited Mr. Shaun Mellors, member of the Communities delegation, to speak about Ms. Lynde Francis, an active member of the Country Coordinating Mechanism (CCM) in Zimbabwe and a beloved colleague, who had passed away in March 2009. Mr. Mellors paid tribute to Ms. Francis and lit a candle in her memory, which he requested be lit at every Board meeting in future in memory of all those who had died of AIDS, TB and malaria.

#### **Agenda Item 4: Report of the Policy & Strategy Committee**

1. The PSC Chair, Ambassador Lennarth Hjelmåker, made presentations that included decision points on the relationship between the Global Fund and the UN, the MOU between the Global Fund and the Organization of the Islamic Conference, the extension of the terms of TERG members, and the Global Fund Strategy in Relation to Sexual Orientation and Gender Identities.

2. The PSC Chair presented an amended decision point on the relationship between the Global Fund and the UN. Ambassador Sigrun Møgedal provided a brief update on the work in progress in this area. A delegate urged Board members to build understanding of the Global Fund in their home countries to counter any lack of understanding that could get in the way of the Global Fund's pursuit of observer status in the UN. The decision point passed without further discussion.

3. The PSC Chair presented a decision point on the Memorandum of Understanding (MOU) between the Global Fund and the Organization of the Islamic Conference (OIC), citing the MOU as a good example of partnership and a text that included shared values and principles. In response to a question by delegates, the Director of External Relations Dr. Christoph Benn, confirmed that the MOU was the outcome of ongoing dialogue with the OIC and that the text included important elements concerning vulnerable populations. The decision point passed without further discussion.

4. In response to the upcoming expiry of the terms of six TERG members, the PSC Chair presented a decision point to extend these terms, as per a recommendation from the TERG Selection Committee. There was a short discussion on Board oversight of the TERG, and in response to a question, the PSC Chair briefed the Board of the future selection process and timeline, confirming that election of new TERG members would not take place before the next Board meeting. The decision point passed without further discussion.

5. The PSC Chair reported on the deliberations of the PSC concerning the Global Fund Strategy in Relation to Sexual Orientation and Gender Identities (SOGI Strategy), noting that the strategy was based on compelling evidence of vulnerability, that it would complement the Gender Equality Strategy passed at the previous Board meeting, and that an implementation plan would follow, which would address some issues that could not be addressed in the strategy.

6. In discussion, delegates welcomed the SOGI Strategy, saying that it supported both public health and human rights, and that it would help community-based organizations and others who work with these vulnerable populations but struggle to access global resources. The Italian delegate specifically asked to be put on the record for welcoming the strategy, which she said showed the Global Fund's commitment to working on these issues and could have an increasing influence on countries to ensure that minorities are supported.

7. Delegates flagged the need for capacity building in CCMs related to the strategy; noted the need to focus on all countries that criminalized sexual minorities or men who have sex with men (MSM) and not just on countries with concentrated epidemics; called for close work with partner agencies and particularly with NGOs in implementing the strategy; and cautioned that there would be language barriers in disseminating the strategy to community-based organizations. There was some concern expressed about the possibility for proposals to bypass the CCM process, and after discussion it was agreed that the strategy did not propose anything different than the existing mechanisms for consideration of proposals not submitted through the CCM. The decision point passed. The Executive Director took this opportunity to introduce Mr. Andy Seale, the newly appointed Senior Advisor, Gender: Sexual and Gender Diversity, who would be joining the Secretariat to oversee the implementation of the SOGI Strategy.

8. The PSC Chair closed with a brief presentation on the decision taken by the PSC on key performance indicators for information only, referring Board members to the PSC Report for further detail.

**Decision Point GF/B19/DP4**

*The Board reiterates its endorsement of the Global Fund's initiative to obtain decision of the UN General Assembly granting Observer Status to the Global Fund at the UN General Assembly (Decision Point GF/B18/DP15).*

*The Board notes that the Global Fund would be represented by the Executive Director at the UN General Assembly.*

**This decision does not have material budgetary implications.**

**Decision Point GF/B19/DP5**

*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 Organization of Islamic Conference (the "OIC MoU") set out in Attachment 2 of the Policy and Strategy Committee's Report to the Board (GF/B19/4), and requests the Executive Director to finalize and sign the OIC MoU.*

**This decision does not have material budgetary implications.**

**Decision Point GF/B19/DP6**

*The Board notes that the terms of six TERG members were due to expire at the conclusion of the Five-Year Evaluation, in May 2009. The Board decides to extend the terms of these six members of the TERG until the conclusion of the Twentieth Board Meeting. The Board thanks the TERG members for their contribution to the Global Fund and for their willingness to continue their work for this additional period.*

**This decision does not have material budgetary implications.**

Decision Point GF/B19/DP7

*The Board approves "The Global Fund Strategy in Relation to Sexual Orientation and Gender Identities (SOGI)" (GF/B19/4 - Attachment 3) and requests the Secretariat to report on progress of implementation of the strategy to the Policy and Strategy Committee at its next meeting.*

*This decision does not have material budgetary implications.*

**Agenda Item 5: Follow-up to Chairs and Vice-Chairs Retreat**

1. The PSC Chair, Ambassador Lennarth Hjelmåker, made presentations that included decision points on restructuring of the Board committees, the Executive Director as a non-voting Board member, the terms of reference for the Chair and Vice Chair of the Board, the allocation of non-voting Board seats, and attendance at Executive Sessions of the Board.

2. The PSC Chair reported that a major reason for the review of the Board committee structure was the need for more comprehensive oversight of procurement-related matters, and that it had been agreed that changes should contribute to improved performance at country level and not create additional complexity. He noted that issue-driven ad hoc committees would enable participation by technical experts. The biggest changes in the proposed committee structure were: the introduction of an Ad Hoc Market Dynamics and Commodities Committee; and a strengthened role of the newly renamed Portfolio and Implementation Committee in oversight of matters relating to country-level implementation. Current membership structure would be maintained. After minimal discussion, the decision point passed.

3. The PSC Chair presented a decision point on the Executive Director as a non-voting member of the Board. The decision point passed.

4. The PSC Chair presented a decision point on attendance at Executive Sessions of the Board, proposing that the Board Chair have the option of excluding non-voting Board members from attending restricted sessions of the Board (to be attended by Board Members and Alternates only), as deemed necessary. After discussion, an amended decision point was proposed to make this restricted attendance the default, with the option of inviting non-voting members when appropriate. The decision point passed without further discussion.

5. The PSC Chair presented a decision point on the terms of reference for the Chair and Vice-Chair of the Board. The decision point passed without discussion.

6. The Chair of the Board presented a decision point on the allocation of non-voting Board seats. He stated that there should be equal representation on the Board by partner agencies whose work was related to the three diseases and that there should also be representation of the private/public partnerships that were strong supporters of the Global Fund. He proposed a Partners Constituency whose members should be key partners whose mission was directly related to the Global Fund and who were not currently represented on the Board, with three initial members: Stop TB, Roll Back Malaria and UNITAID. He added that the Board would decide as necessary on any additions to that constituency in future.

7. In discussion, delegates welcomed this proposal as strengthening the representation of an important constituency, though a number of delegates expressed



concern about expanding the size of the Board. The decision point passed without further discussion.

8. In closing, the Chair of the Board thanked PSC Vice-Chair Dr. Paulo Teixeira and PSC Chair Ambassador Lennarth Hjelmåker for their contributions to the PSC and their exemplary leadership while dealing with contentious issues. He also thanked Dr. Peter Godfrey-Faussett, outgoing Chair of the TRP, for his years of service. Ambassador Lennarth Hjelmåker also thanked the PSC members, PSC Vice-Chair Dr. Paulo Teixeira, the Secretariat, and his Swedish colleagues. He then paid tribute to the Board Chair and Vice-Chair for their commitment and hard work.

#### Decision Point GF/B19/DP8

*The Board adopts the model for restructuring the Board committees set out in the Report of the Policy and Strategy Committee (GF/B19/4) - the "PSC Report".*

*Accordingly, the Board decides:*

- 1. to create an ad hoc committee of the Board for market dynamics, procurement, and commodities matters (the "Market Dynamics and Commodities Committee" or "MDC") with the terms of reference set out in document GF/B19/4 - Attachment 4 for the period up to the first Board meeting in 2011, when the Board will consider whether to continue the MDC's mandate. Membership in the MDC shall not count towards the two-committee limit set forth in Section 23 of the Board Operating Procedures. This committee will temporarily remove the Portfolio Committee's responsibilities in this area;*
- 2. to continue the mandate of the AMFm Ad Hoc Committee for the AMFm Phase 1 Period;*
- 3. to rename the Portfolio Committee the "Portfolio and Implementation Committee" (PIC); and*
- 4. to approve the amendments to the Committee Rules and Procedures set out in document GF/B19/4 - Attachment 5.*

*The Board requests the Board Chair and Vice Chair to review prior Board decisions with a view to clarifying and, if necessary, re-assigning responsibilities among the Committees in line with this decision.*

*The budgetary implications of this decision are estimated at approximately US\$ 940,000 for a whole year and US\$ 470,000 in 2009. The Secretariat will endeavor to absorb the incremental costs in 2009 by making commensurate savings within the approved budget.*

#### Decision Point GF/B19/DP9

*The Board decides that the Executive Director shall be an ex-officio non voting member of the Board, with immediate effect, and approves the following Amendments to Articles 7.1 and 7.2 of the Bylaws and Part A, Section 1 of the Board Operating Procedures:*

*Bylaws: Articles 7.1 and 7.2*

*7.1 Composition*

The Foundation Board shall consist of twenty voting members and ~~four~~ five nonvoting members. Each voting member shall have one vote. [...] The ~~four~~ five ex-officio nonvoting members of the Foundation Board shall consist of:

- One representative from WHO;
- One representative from the Joint United Nations Programme on HIV/AIDS (“UNAIDS”);
- One representative from the trustee; ~~and~~
- One Swiss Citizen with his or her domicile in Switzerland authorized to act of behalf of the Foundation to the extent required by Swiss law; and
- The Executive Director of the Foundation.

#### 7.2 Appointment of Foundation Board Members

[...] Board Members shall be deemed to act in their capacity as representatives of their respective Governments, organizations, constituencies or other entities. The Executive Director shall act in his or her capacity as chief executive officer of the Foundation and will serve on the Foundation Board for the duration of his or her term. [...]

#### Board Operating Procedures: Part A, Section 1

##### Board Members

[...] Board Members serve as the representative of the particular county, organization or other entity, or other constituency holding the Board seat. The Executive Director shall hold an ex-officio seat on the Board as Chief Executive Officer of the Foundation for the duration of his or her term. Except as provided for in Sections A.4 and A.5 below, only properly accredited Board Members have the right to vote and to participate in Board deliberations.

This decision does not have material budgetary implications.

#### Decision Point GF/B19/DP10

The Board approves the terms of reference for the Chair and Vice-Chair of the Board, as laid out in Attachment 6 of GF/B19/4. The terms of reference shall be used by the Board in its consideration of the candidature of any proposed applicant for the positions as well as the candidates themselves to ensure they are fully aware of what the role(s) involve.

This decision does not have material budgetary implications.

#### Decision Point GF/B19/DP11

1. The Board decides to create one additional non-voting seat on the Board to represent the constituency of key partners (Partners Constituency) whose mission is directly related to the Global Fund and who are not currently represented on the Board.
2. The Board decides to invite the Stop TB Partnership, Roll Back Malaria and UNITAID to be the founding members of the Partners Constituency. Any key partner that wishes to be represented on the Global Fund Board through the Partners Constituency should make a formal request to the Board who will determine the appropriateness of their inclusion in the Partners constituency.
3. Accordingly, the Board approves the following amendments to the By-laws:

*Article 7. Foundation Board*

*7.1. Composition*

*The Foundation Board shall consist of twenty voting members and ~~five~~ six nonvoting members. Each voting member shall have one vote.*

*[...]*

*The ~~five~~ six ex-officio nonvoting members of the Foundation Board shall consist of:*

- One representative from the WHO;*
- One representative from the Joint United Nations Programme on HIV/AIDS (“UNAIDS”);*
- One representative from the Partners constituency;*
- One representative from the trustee; ~~and~~*
- One Swiss citizen with his or her domicile in Switzerland authorized to act on behalf of the Foundation to the extent required by Swiss law; and*
- The Executive Director of the Foundation.*

- 4. The Board requests the PSC to review the purpose, allocation and composition of all non-voting Board seats and report to the Board at its Twenty-Third Meeting.*

*This decision does not have material budgetary implications.*

*Decision Point GF/B19/DP12*

*The Board amends the Board Operating Procedures, Part C, Section 14, as follows:*

*[...] 14. Restricted Session*

*In its discretion, the Board may conduct its business in Restricted Session (Voting Board Members and Alternates only). The Board Chair should exclude non-voting ex-officio Board members from attending a Restricted Session, unless it is deemed by the Board Chair to be appropriate to include such members based on the content of the discussion.*

*This decision does not have material budgetary implications.*

## **Agenda Item 6: Report of the Portfolio Committee**

1. The PC Chair, Ms. Sujatha Rao, made a presentation that included decision points on the CCM funding policy, timing for determination of income eligibility, the applicability of the one-year “grace period” on income eligibility, the definition of “high disease burden for TB,” TRP leadership and membership, quality assurance of non-ATM products, and grant start dates.

2. The PC Chair gave the history of the CCM funding policy and presented a two-track model of CCM funding developed by the Secretariat. This model would give CCMs access to greater amounts of funding that would be tied to targets and objectives within a CCM performance framework. She reported that PC members had expressed full support for this funding model, particularly because it linked funding with performance, allowed CCMs to define their own needs, and enabled CCMs to access the necessary resources for meaningful engagement with civil society.

3. In discussion, delegates welcomed the proposed CCM funding policy, noting the critical role that CCMs play. A delegate observed that funding for CCM strengthening was very important as CCMs could also present an operational risk to the Global Fund when they did not function well. One delegate noted that with adequate funding, CCMs should be held accountable for ensuring they were reaching communities outside their national capitals. More broadly, a number of delegates expressed concern about CCM funding not reaching civil society, and an amendment was proposed to address this. The Italian delegate requested that her delegation be noted on the record in support of this amendment.
4. The Executive Director noted that 50% of funds to CCMs did not come from the Global Fund and emphasized that alternative sources of funding should continue. He called on the representatives of bilateral agencies around the table to increase their support to CCMs. The decision point passed.
5. The PC Chair presented a decision point on the timing for determining income eligibility, noting that this will be de-linked from the call of proposals for the Rounds-based Channel and moved to an annual calendar cycle for more predictability and consistency. Eligibility determinations will be effective for all Global Fund calls for proposals for the calendar year. The decision point passed without discussion.
6. The PC Chair presented a decision point on the one-year "grace period" provided to countries that move from one income category to another, proposing that this "grace period" should never apply to high-income countries (i.e. to countries that have moved from upper-middle income to high-income status). The decision point passed without discussion.
7. The PC Chair presented a decision point to correct an error in the Global Fund's definition of high disease burden for the purposes of financing tuberculosis programs in upper-middle income countries. The decision point passed without discussion.
8. In response to the growing workload of the TRP, the PC Chair presented a decision point to add a second Vice-Chair and increase the overall maximum number of permanent TRP members. In the discussion, a delegate called for greater regional diversity among TRP members and requested that finding members from under-represented regions should be taken into consideration in the replenishment. The delegate also made the point that the TRP required stronger criteria for proposal review and suggested that this be reviewed by the appropriate committee. The decision point passed without further discussion.
9. The PC Chair reported that the TRP's support group of technical experts had shrunk over the years and would require replenishment. The PC had decided to wait until the completion of the Global Fund's architecture review before going through a full replenishment. However, in response to the high importance of gender and the shortage of gender experts, the PC had decided to go ahead with the replenishment of the gender cross-cutting TRP seats. She presented the process of the call for applications and selection process and the proposed candidates for Board approval. In the discussion, a delegate urged the PC to take note of lessons learned for future processes of TRP replenishment. The decision point passed without further discussion.
10. The PC Chair reported on the work of the Secretariat and the PC on a methodology to assess the status of quality assurance for pharmaceutical products other than ARVs, anti-malarial and anti-TB medicines (non-ATMs). She presented a decision point on PC oversight of the Secretariat's proposed study and next steps.
11. In the discussion, a delegate suggested that the process should include consultation with Board members to find out more about which areas and programs have

had problems with the quality of non-ATMs. A delegate expressed concern that an arduous quality assurance process for widely used non-ATMs such as antibiotics and reproductive health commodities could result in reduced access or availability. A few delegates called for the impact of such standards on wider markets to be considered. Another delegate asked that local manufacturers should be encouraged to participate in grant tenders and that national regulatory frameworks be taken into account. The PC Chair agreed that these were important issues and that studies were necessary to collect the relevant evidence for sound policy proposals. The decision point passed.

12. The PC Chair reported that driven by the need to align grants with existing budget cycles, the Secretariat had recommended, and the PC agreed, that greater flexibility was needed in setting grant start dates. Delegates supported the overall goal of aligning disbursements with programmatic and budget cycles, but a few expressed concern about lengthy delays. The PC Chair confirmed that this flexibility would only be used when it was needed and should not create unreasonable delays. The decision point passed.

13. In closing, the PC Chair thanked PC Vice-Chair Dr. Joseph André Tiendrebeogo, the Secretariat - particularly Senior Policy Officer Ms. Paula Hacopian, and all Board members. The Board Chair then thanked PC Chair Sujatha Rao and Vice-Chair Dr. Joseph André Tiendrebeogo for their effective leadership and extraordinary service over two years.

#### Decision Point GF/B19/DP13

*The Board decides to change the timing of the determination of the income level eligibility for funding from the Global Fund by amending paragraph 4 of Part 3 of the document entitled "Income Level and Cost Sharing Eligibility Criteria for Proposals for Funding from the Global Fund" (GF/B16/7 Attachment 1, Revision 1) as follows:*

*4. The Secretariat will make income level eligibility determinations on an annual basis at the time of the Call for Proposals under the Rounds-Based Channel following the release of the World Bank Country Income Classifications in July of each year (or following the month of publication if different from July), to be reviewed by the Portfolio Committee at its next meeting. These income level eligibility determinations will be effective for all calls for applications to the Global Fund under all funding channels from 1 January to 31 December for the following calendar year.*

*This decision does not have material budgetary implications.*

#### Decision Point GF/B19/DP14

*The Board decides that the one year "grace period" applicable for income level eligibility determinations for Global Fund funding where a country moves up from one income category to the next does not apply in the case that a country moves from "upper-middle income" to "high income". Therefore, the Board decides to amend paragraph 4 of Part 3 of the document entitled "Income Level and Cost Sharing Eligibility Criteria for Proposals for Funding from the Global Fund" (GF/B16/7 Attachment 1, Revision 1) by adding the following paragraph:*

*"In line with the general principle that high income countries are not eligible for Global Fund funding, the one-year grace period only applies to countries moving from the "low-income" category to the "lower-middle income" category and for countries moving from the "lower-middle income" category to the "upper-middle income"*

category. Those countries moving from “upper-middle income” to “high-income” are not eligible for funding.”

This decision does not have material budgetary implications.

#### Decision Point GF/B19/DP15

The Board decides to correct an error in the definition of high disease burden for Global Fund financing of tuberculosis in Upper-Middle Income Countries by amending paragraph 2 of Part 3 of the document entitled “Income Level and Cost Sharing Eligibility Criteria for Proposals for Funding from the Global Fund” (GF/B16/7 Attachment 1, Revision 1) as follows:

“The country in which the proposal activities are targeted is included on the WHO list of high-burden countries or on the WHO list of countries that account for ~~95~~ 97 percent of all new cases attributable to HIV/AIDS.”

This decision does not have material budgetary implications.

#### Decision Point GF/B19/DP16

##### *Additions to Technical Review Panel (TRP) Leadership and Membership*

The Board decides to amend the Terms of Reference of the Technical Review Panel (TRP) to add a second Vice-Chair and to increase the overall maximum number of Permanent TRP members from 35 to 40 persons. The revised Terms of Reference are set forth in Attachment 1 of the Report of the Portfolio Committee (GF/B19/5 - Revision 1).

This decision does not have material budgetary implications.

#### Decision Point GF/B19/DP17

The Board approves the appointment of the following:

1. to strengthen the TRP’s cross-cutting expertise with a focus on gender and sexual minorities, Drs Ondina Leal, Tim Brown, Sarah Hawkes, Mabel Bianco and Katya Burns as members of the TRP Support Group;
2. Mr Tim Brown (HIV), Ms Daphne Toupozis (HIV), Mr Nomathemba Mazelani (HIV), Ms Hanem Zaher (Tuberculosis), Ms Ondina Leal (Cross-Cutting), Ms Mabel Bianco (Cross-Cutting), Mr George Gotsadze (Cross-Cutting) and Mr Tore Rose (Cross-Cutting) as Permanent Members of the TRP to serve up to four Rounds commencing from Round 9; and
3. in respect of calls for proposals made in 2009, the twelve (12) persons identified as Alternate Members in the Report of the Portfolio Committee (GF/B19/5 - Revision 1).

each of whom have been recommended by the Portfolio Committee and the Executive Director upon consideration of required technical expertise, as well as geographical distribution and gender balance.

This decision does not have material budgetary implications.

#### Decision Point GF/B19/DP18

*The Board requests the Portfolio Committee (PC) to oversee the Secretariat's study of the quality assurance status of pharmaceutical products other than anti-retroviral, anti-malaria and anti-tuberculosis medicines. The Secretariat shall present the findings of the first phase of the study to the PC at its 12<sup>th</sup> Meeting in September 2009. Based on these findings, the PC may permit the Secretariat to undertake the later stages of the study to explore the possibility of establishing a quality assurance policy for these products. The Board requests the PC to update the Board on the progress of the study at the Board's first meeting in 2010.*

*The budgetary implications of this decision are estimated at approximately US\$ 250,000 in 2009 for consultations, meetings and professional fees. The Secretariat will endeavor to absorb the incremental costs in 2009 by making commensurate savings within the already approved budget.*

#### Decision Point GF/B19/DP19

*The Board affirms the importance of rapid grant signature and disbursement of approved funds as reflected in the target of 8 months for the 2009 Key Performance Indicator for the average time from Board approval to first disbursement. At the same time, the Board also recognizes the value of aligning disbursements with national cycles.*

*The Board delegates to the Secretariat the authority to set the starting date for Grant Agreements up to 18 months after Board approval of a proposal to align with national fiscal and programmatic cycles and support harmonization with existing Global Fund grants and other donor-funded programs. The starting date shall continue to be based on the timing of receipt by the Principal Recipient of the first disbursement of grant funds under a Grant Agreement.*

*This decision does not have material budgetary implications.*

#### Decision Point GF/B19/DP20

*The Board agrees that funding for Country Coordinating Mechanisms (CCMs) should be linked to their core functions as defined in the Global Fund Framework Document and further elaborated in the CCM Guidelines<sup>1</sup>. The Board recognizes that the role of CCMs has expanded as Global Fund financing for programmes to fight AIDS, tuberculosis and malaria have increased.*

*To reduce financial constraints that hinder CCMs from fulfilling their responsibilities, the Board adopts in principle a new funding model for CCMs which allows for increased budget amounts and flexible funding modalities on the basis of the following key objectives:*

- i. Meaningful civil society and private sector participation (including access to funding for civil society);*
- ii. Enhanced CCM capacity for program oversight;*

<sup>1</sup> GF/B16/DP19: "CCM Guidelines on the Purpose, Function, Composition and Funding of Country Coordinating Mechanisms and Requirements for Grant Eligibility".

- iii. Improved incentives to harmonize and align with national structures;*
- iv. Improved capacity to implement the Gender Equality Strategy and the Sexual Orientation and Gender Identify Strategy;*
- v. Introduction of performance-based funding for CCMs;*
- vi. Improved measurability and transparency of CCM performance;*
- vii. Enhanced country ownership; and*
- viii. Encouraging continued multi-stakeholder donor support to CCMs.*

*The Board delegates authority to the Portfolio Committee (PC) to approve at its 12<sup>th</sup> Meeting (September 2009) a revised policy for funding for CCMs based upon:*

- i. Linking funding to function;*
- ii. Accountability through a robust performance framework;*
- iii. Strategic objectives and performance targets expressed in workplans and budgets;*
- iv. Different country contexts and needs;*
- v. Incorporating CCM best practices; and*
- vi. Rigorous oversight mechanisms including Local Fund Agent (LFA) verification as appropriate.*

*The current funding model (GF/B16/DP19) continues to apply until PC approval of the fully defined revised policy, which is expected to take effect in January 2010.*

*The annual budget for CCM funding will be subject to approval by the Board as part of the regular budgetary process under the oversight of the Finance and Audit Committee (FAC). The financial implications of the proposed CCM funding model are estimated to be approximately US\$ 8 million in 2010 (a maximum increase of US\$ 2 million over the US\$ 6 million CCM budget in 2009) and US\$ 12 million in 2011.*

*The Board also requests the Secretariat to conduct a review of the CCM Guidelines to clarify the role of CCMs and, as appropriate, to recommend amendments to the CCM Guidelines in time for the Twentieth Board Meeting (November 2009). The review should take into consideration the recommendations of the Five Year Evaluation, lessons learned and best practice as identified in various CCM studies.*

*In developing the revised funding policy and reviewing the CCM Guidelines the Secretariat shall engage in a broad consultative process.*

*The budgetary implications of this decision are estimated at approximately US\$ 250,000 in 2009 for consultations, meetings and professional fees. The Secretariat will endeavor to absorb the incremental costs in 2009 by making commensurate savings within the already approved budget.*

## **Agenda Item 7: Report of the Finance & Audit Committee**

1. FAC Vice-Chair Mr. Peter Van Rooijen opened by thanking former FAC Chairs Ambassador Mark Dybul and Ambassador Louis-Charles Viossat for their dedicated service to the committee.

2. The FAC Vice-Chair presented the audited financial statements for approval. He noted that the audit report gave a 'clean' (i.e. unqualified) opinion on the financial statements, with no significant management recommendations. He also reported that at the FAC's next meeting, they would review mechanisms for reporting details of income and grant expenditures, as requested. He commended the work of Chief Financial Officer (CFO) Mr. Barry Greene and his team, especially Financial Controller Mr. Ian Carter.



3. In discussion, delegates congratulated the Secretariat on the audit. One delegate observed that the Global Fund's liabilities in terms of its ongoing responsibility to provide lifelong treatment was not captured in standard balance sheets but should be considered in the future. Another delegate expressed concern about the rise in net assets and administrative costs alongside a decline in expenditures, and noted that this was the wrong trend to show potential investors, particularly those in the private sector.

4. The FAC Vice-Chair agreed that what was presented by the auditors was only one small piece of the whole, and longer-term commitments, resource forecasts and other issues must also be considered. CFO Barry Greene pointed out that 2007 had seen a spike in grant expenditures due to renewals as the Board had approved two rounds that year, and that as a result 2008 showed a slight decline from that level. In addition, there had been one-time costs associated with the preparation for the termination of the administrative services agreement (ASA) in 2008. These two factors led to an apparent increase in administrative costs as a percentage of total expenditure. The decision point concerning approval of the audited financial statements passed with no further discussion.

5. The FAC Vice-Chair gave a brief presentation concerning collaboration with UNDP in audits and investigations and presented the FAC's decision point on this matter. A representative of UNDP reiterated the organization's commitment to increased transparency and noted that since the establishment of the Global Fund's Office of the Inspector General, there had been substantial collaboration between this office and that of UNDP. He stated that he hoped resolution would be reached on this matter. The decision point passed without discussion.

6. The FAC Vice-Chair presented decision points concerning the delegation of authority to the Executive Director to sign agreements and regarding changes to the use of the Global Fund's Credit Suisse bank account. The decision points passed with no discussion.

7. The FAC Vice-Chair reported that the FAC had discussed the 2010 budget process and that FAC would review the budget framework parameters, including consideration of the rationale for the parameters and clarification/refinement of benchmarks, and clarify the workplan-based budget process which will be linked to an analysis of workload and workforce needs. Board constituencies not represented on the FAC will be invited to comment on the 2010 budget at an early stage in the process. He also reported that a working group had produced a report on the investment policy, which needed further consultations with Board members leading up to the next Board meeting in November 2009.

8. The FAC Vice-Chair delivered a presentation concerning grant policy during investigations and audits by the Office of the Inspector General (OIG). He referred to the Board's related in-principle decision from the previous meeting and re-stated the Board's desire to send a strong message on zero tolerance for fraud and corruption. He stated that the Executive Director needed a clear mandate to take immediate action when there was credible and substantive evidence of fraud, abuse, misappropriation or corruption involving Global Fund grants, and he presented a decision point that would enable such action.

9. During the subsequent discussion, delegates reiterated their support for a zero tolerance policy concerning the misappropriation of funds. A number of delegates noted that given the Board held ultimate responsibility, it was important that all Board members and not just involved committees were kept informed of investigations. It was agreed that OIG reports sent to FAC would be forwarded to all Board members. Some delegates expressed concern about the possibility of investigations sometimes being

disproportionate to the issues being investigated and about the implications of freezing grant activity for all implementers where potentially only one was being investigated.

10. The Executive Director stated that he enjoyed an excellent relationship with the Inspector General and that he had been applying the Board's in-principle decision since it had been taken at the previous Board meeting. He reported that he had put in place additional safeguards for two more countries, and that the Secretariat was working on a code of conduct for manufacturers and had recently issued a press release on the Global Fund's zero tolerance for corruption.

11. The FAC Vice-Chair clarified that funding for life-saving treatment would not be halted and that the Executive Director and OIG worked closely together in relation to any investigation to avoid negative and unintended consequences. The decision point passed without further discussion.

12. The FAC Vice-Chair introduced a decision point concerning the composition of a working group on demand and supply in a resource-constrained environment. The Board Chair noted that further discussion would follow concerning the work of this group, which would be having its first meeting the following day. The decision point passed without discussion.

#### Decision Point GF/B19/DP21

*The Board approves the 2008 Financial Statements of the Global Fund which have been audited by Ernst & Young as set out in Attachment 1 to the Report of the Finance and Audit Committee (GF/B19/6).*

*This decision does not have material budgetary implications.*

#### Decision Point GF/B19/DP22

*The Board recognizes the significant improvements in collaboration between UNDP and the Global Fund on audits and investigations relating to grant funds. However, the Board notes that there are still areas where the collaboration could be improved and therefore requests the Chair of the Board, in support of the OIG and Secretariat, to secure greater assurance from the UNDP Board regarding audits and investigations of Global Fund grants where UNDP acts as Principal Recipient, including access to the full text of audit and investigation reports.*

*This decision does not have material budgetary implications.*

#### Decision Point GF/B19/DP23

*The Board authorizes the Chair and Vice-Chair of the Board and the Executive Director to execute agreements on the Board's behalf. In the event the Executive Director is unavailable to exercise such authority, the Board authorizes each of the Deputy Executive Director, the Director of Country Programs and the Director of Corporate Services individually to execute agreements on the Board's behalf.*

*In addition, as necessary and appropriate for the fulfillment of the Executive Director's responsibilities for the day-to-day management of the operations of the*

*Global Fund, the Board authorizes the Executive Director to issue proxies to Secretariat staff to execute agreements on behalf of the Global Fund in accordance with the Financial Rules and Regulations and requests the Executive Director to inform the FAC of his signature authority policy.*

*This decision replaces the Board's decision at its Thirteenth Meeting regarding delegated authority to sign agreements.*

*This decision does not have material budgetary implications.*

#### *Decision Point GF/B19/DP24*

*The Board recognizes that, as a result of the termination of the Administrative Services Agreement with the World Health Organization, all operating expenses are now required to be paid through the Global Fund's Credit Suisse bank account. The Board decides to rescind its previous decision on the policy for the Credit Suisse bank account (GF/SB1/DP6). The Credit Suisse bank account shall be maintained and used by the Global Fund in accordance with the Global Fund's Financial Rules and Regulations for the following:*

- 1. to hold the foundation's capital, of CHF 50,000, as required by Swiss law;*
- 2. to pay for all Secretariat operating expenses in accordance with the Board-approved annual budget; and*
- 3. to receive private-sector contributions that the Trustee is not able to receive directly and other miscellaneous receipts.*

*The Board requests the Finance and Audit Committee to continue its oversight of the Credit Suisse bank account.*

*This decision does not have material budgetary implications.*

#### *Decision Point GF/B19/DP25*

*The Global Fund does not tolerate corruption, fraud, misappropriation or abuse of any kind in relation to its grants. As part of the comprehensive risk management framework, the Board requests the Executive Director to take strong, immediate action in all circumstances where the Inspector General has determined that there is credible and substantive evidence of fraud, abuse, misappropriation or corruption involving Global Fund grants.*

*Such action will include the Executive Director restricting the signature of new grants with the nominated principal recipient(s), if the evidence concerns the nominated principal recipient(s), or of all new grants in the country, if the evidence points to country risks.*

*Restrictions may also include the suspension of disbursements under existing grants in the affected country or countries, the temporary or permanent debarment of any entity under investigation from receiving grant funding or any other measure deemed appropriate and justified under the circumstances by the Executive Director.*

*In such situations, the Executive Director shall ensure that measures imposed balance the impact on the country's health systems, other reliant projects and the continuation of the provision of essential services, against the risks to the Global Fund and adherence to the Global Fund's core ethical values and principles. This balance to be struck should not allow any acceptance of fraud.*

*The Secretariat and the OIG will - each based on their respective role and responsibilities - report on restrictions imposed in relation to any grant(s) in such situations, the specific actions required to lift such restrictions, and the status of the situation. This will be done as soon as possible to the Board via an appropriate mechanism as well as on a regular basis through the FAC and at the Board meeting.*

*If signature of a new grant with a nominated principal recipient has been restricted, the deadline for signature of a grant agreement shall automatically be extended by a period equal to the period of the restriction in the following limited situations: (i) an OIG investigation or audit by the OIG finds no wrongdoing, or (ii) in the opinion of the Secretariat and OIG, the wrongdoing is not material or the risks to Global Fund grant funds under the new grant are manageable, or (iii) a new principal recipient is identified for the grant under implementation arrangements that address the risks.*

*This decision does not have material budgetary implications.*

*Decision Point GF/B19/DP26*

*Based on the updated Demand Scenarios and Resource Forecasts, the Board decides to establish a balanced Working Group with participation by Dr. Peter Godfrey-Faussett, the outgoing Chair of the TRP, to review the current policies that guide both resource mobilization and resource allocation and to develop a framework for managing the tension between resource demand and supply in a resource-constrained environment.*

*Upon the recommendation of the Board Chair and Vice-Chair, the Board approves the appointment of the following members of the Working Group:*

	<i>Name</i>	<i>Constituency</i>
1.	<i>Peter van Rooijen, as Co-Chair</i>	<i>Developed Country NGO</i>
2.	<i>Dr. Sigrun Mögedal, as Co-Chair</i>	<i>Point 7</i>
3.	<i>Javier Hourcade Bellocq</i>	<i>Communities</i>
4.	<i>Dr. Agnes Binagwaho</i>	<i>Eastern and Southern Africa</i>
5.	<i>Simon Bland</i>	<i>UK/Australia</i>
6.	<i>Amb. Patrice Debré</i>	<i>France/Spain</i>
7.	<i>Michelle Moloney-Kitts</i>	<i>USA</i>
8.	<i>Bill Parr</i>	<i>Western Pacific Region</i>
9.	<i>Sujatha Rao</i>	<i>South East Asia</i>
10.	<i>Todd Summers</i>	<i>Private Foundations</i>

11.	<i>Dr. Ernest Messiah</i>	<i>Latin America and the Caribbean</i>
12.	<i>Enrico Vicenti</i>	<i>Italy</i>

*The Working Group is requested to:*

1. *provide recommendations for amendments of existing policies regarding prioritization for funding technically sound proposals in a resource-constrained environment, subject to review at the appropriate times;*
2. *provide recommendations, if possible, on future resource allocation policies, to be followed-up by the appropriate Board committee(s); and*
3. *present options for an increased and urgent resource mobilization effort.*

*The Working Group is requested to seek appropriate input during its deliberations, consult with PC, PSC and FAC, and report to the Board before its Twentieth Board Meeting in November 2009.*

*This decision does not have material budgetary implications.*

## **Agenda Item 8: Report of the Inspector General**

1. The Inspector General delivered a presentation based on his progress report, shared with Board members, which charted the progress of his office in taking forward the priorities approved at the Seventeenth Board Meeting in 2008. He noted that feedback to his report from the FAC had already come forward in the form of two decision points presented to the Board by the FAC.
2. His report included a brief review of past, current and planned investigations and routine audits; the code of conduct for suppliers; a risk management and accountability framework; the capacity of his office; and priorities for the remainder of the year. He closed by emphasizing the importance of sending the message at all opportunities that the Global Fund had zero tolerance for corruption.
3. In discussion, delegates thanked the Inspector General for his report and reaffirmed their support for his work. In his response to questions, the Inspector General clarified that roughly 50 percent of the work of his office was carried out in response to allegations and 50 percent based on planned audits. He noted that the large and increasing demand for the services of auditors and investigators made recruitment a challenge and that the office maintained a carefully screened roster of consultants that could be called on at short notice for investigations. He agreed that annexes to his report in the form of tracking charts would help to summarize the status of the action taken in response to audits and investigations.

## **Agenda Item 9: Update on Replenishment and Resource Mobilization**

1. Dr. Christoph Benn, the Secretariat's Director of External Relations and Partnerships, delivered a presentation on resource mobilization and the Midterm Review of the Second Voluntary Replenishment meeting, including the recommendations of the work of the Resource Mobilization Task Team and planned actions. He thanked the

Government of Spain for hosting the replenishment review and related events. He also recognized the leading role of the Board Chair in working with the U.S. administration, and he drew the attention of the Board to the previous day's announcement by U.S. President Obama regarding global health spending.

2. In talking about the urgent need to raise additional funds, the Director of External Relations and Partnerships noted that while the Secretariat would work hard to attract new donor governments and increase funds from innovative financing mechanisms and the private sector, these efforts needed to be complemented by political commitments at the highest level in donor countries to meet the increasing demand. He talked about the need for the Board and Secretariat to work constructively and creatively to close the remaining funding gap focusing on opportunities for political engagement, including the upcoming G8 meeting in Italy and the UN General Assembly in September. He expressed his appreciation for the close cooperation with the Government of Japan for the 2008 G8 meeting and with the Government of Italy in the lead-up to the 2009 G8 meeting.

3. The Chief Financial Officer, Mr. Barry Greene, gave a short presentation on the current assets available to set the context for the FAC Vice-Chair, Mr. Peter Van Rooijen, to give an overview of the deliberations of the new working group on the tension between supply and demand, which had met for the first time that day. The FAC Chair reported that while more detail would be forthcoming, the four main areas to be considered by the working group were: existing policies, short-term issues (such as Round 9), longer-term issues and resource mobilization. He emphasized that the input of all constituencies would be very important, and he advocated for a Board retreat before the next Board meeting in order to have time for adequate discussion on the issues and the working group's future recommendations.

4. In the subsequent discussion, delegates reiterated their support for the mandate of this working group and expressed concern about the funding gap. Some delegates stated that the working group should consider criteria for prioritizing grants, while others cautioned that the Global Fund's principle of country-driven proposals could be watered down if prioritization criteria were introduced. Many delegates expressed the desire to provide feedback to the outcomes of the working group discussions before the next Board meeting.

5. The Board Chair thanked the FAC Vice-Chair for his contributions to the committee and also thanked Ambassador Mark Dybul and Ambassador Louis-Charles Viossat in absentia for their leadership of the FAC in 2007-2009.

## **Agenda Item 10: Report of the Affordable Medicines Facility for Malaria Ad Hoc Committee**

1. Mr. Todd Summers, Chair of the Affordable Medicines Facility for Malaria (AMFm) Ad Hoc Committee delivered a presentation that reviewed the objectives of the AMFm and previous related Board decisions, presented an updated timeline for the implementation of the first phase, and summarized developments since the previous Board meeting, including co-payment strategies, a preference for fixed-dose combinations, monitoring and evaluation arrangements, available resources for the co-payment and estimated costs for supporting interventions. He then presented a decision point concerning the continuation of the Ad Hoc Committee through the end of the first phase in November 2011.

2. In discussion, delegates expressed their appreciation for the work of the committee, and many expressed their support for the initiative. Points made by delegates included the importance of the independent evaluation, the need to ensure that the poorest populations were being reached with effective malaria treatment, and concern about regions that had been left out of the first phase.

3. In response to questions, the Ad Hoc Committee Chair clarified that countries that were approved for AMFm would have the flexibility to reprogram Global Fund grant funds that had been previously earmarked for ACT purchases as long as that reprogramming was within the scope of the malaria control program. He also clarified that there would be no transfer of funds from the public to the private sector as part of the process. The decision point passed with no further discussion.

4. On behalf of the Chair of the Board the Ad Hoc Committee Chair then presented a decision point concerning the terms of reference of the committee, and the leadership and membership of the committee. The decision point passed without discussion.

#### Decision Point GF/B19/DP27

*The Board recalls its decision regarding the Affordable Medicine Facility - malaria ("AMFM") (GF/B18/DP7).*

*The Board notes that it will vote on the AMFm proposals at its Twentieth meeting. The Board understands that the independent evaluation of AMFm Phase 1 is now estimated to be completed in the second half of 2011.*

*The Board decides to maintain the AMFm Ad Hoc Committee as a separate committee of the Board for the duration of the AMFm of the AMFm Phase 1 period with the terms of reference set out in Annex 1 to the Report of the AMFm Committee (GF/B19/7).*

*The Board confirms that the Technical Evaluation Reference Group (TERG) will provide guidance with regard to the technical parameters of the design of the independent evaluation of the AMFm, under the oversight of the AMFm Ad Hoc Committee. Consistent with its previous decisions, the Board confirms that the Secretariat will continue to have responsibility for commissioning of the independent evaluation, under the oversight of the AMFm Ad Hoc Committee.*

*The Board notes pending WHO guidance that fixed-dosed co-formulations (FDCs) are strongly preferable to co-blistered ACTs and may help to delay resistance to artemisinin. The Board also notes that multiple technical issues need to be taken into account to ensure a smooth transition to an exclusive use of FDC ACTs. The Board urges that WHO expedite finalization of this guidance on FDCs and co-blistered ACTs.*

*The Board requests its Chair to delegate to the relevant committee(s) the task of identifying and considering options for the Global Fund, within its mandate as a financing institution, to support countries in expediting the transition to FDCs, taking into consideration the implications for quality, supply, pricing and appropriate use of ACTs, and to report back to the Board at its Twentieth meeting.*

*This decision does not have material budgetary implications.*

Decision Point GF/B19/DP28

*On the recommendation of the Board Chair and Vice Chair, the Board makes the following decisions with respect to the AMFm Ad Hoc Committee leadership and membership.*

*The Board decides that, in order to enable the new Board leadership to ensure appropriate balance, the leadership and membership of the AMFm Committee shall be renewed at the same time as all the other committees of the Board. The Board clarifies that the membership of the AMFm Committee is 10 voting members, plus representation by WHO, RBM and UNITAID.*

*The Board notes that the AMFm Committee Chair is resigning and approves the appointment of Professor Eyitayo Lambo as acting Chair of the AMFm Committee pending renewal of committee leadership and membership.*

*The Board notes that UNITAID has requested a role in the governance of AMFm. Recognizing UNITAID as a key partner in support of AMFm, the Board decides, as a one-time exception to the Committee Rules and Procedures and without setting a precedent, to request the Board Chair to invite the UNITAID Board to nominate a suitable representative to serve as Vice-Chair of the AMFm Committee. The appointment of the UNITAID Board representative shall be subject to the approval of the Board Chair and Vice Chair and the AMFm Committee Chair.*

*This decision does not have material budgetary implications.*

## **Agenda Item 11: TERG Five-Year Evaluation**

1. The TERG Chair, Professor Rolf Korte, gave a presentation on the Five-Year Evaluation, providing a brief overview of the overall approach to the evaluation and highlights of the findings from Study Area 3, and referring delegates to the TERG report submitted to the Board before the meeting.
2. TERG member Dr. Lola Dare followed with a presentation that included overall findings as outlined in the Synthesis Report, TERG oversight of the evaluation for data quality, areas identified for further study, and key issues for Board attention.
3. The TERG Chair then presented an overview of comments received on Study Area 3 and the Synthesis Report, as well as comments made during pre-Board meeting discussions. He closed by reviewing next steps, asking that the Board ensure the momentum of the evaluation was not lost, and thanking the TERG team and Board as well as the support team within the Secretariat.
4. In the subsequent discussion, delegates thanked the TERG for their work, and one delegate presented a decision point welcoming the findings of the Five-Year Evaluation and outlining next steps for follow-up.
5. Delegates welcomed the decision point and agreed it was important that the momentum of the Five-Year Evaluation not be lost. They mentioned a number of areas of importance for actionable follow-up and further discussion, including monitoring and evaluation systems, health and information systems strengthening, continued alignment with International Health Partnership principles and the Paris Declaration, demand and pipeline management, performance-based funding, risk management, and private sector involvement. The Executive Director reported that the Secretariat had already begun to respond to many of these findings, including the risk management framework.



6. A number of delegates also recognized the TERG as a valuable resource whose independence was important and whose continued work should have adequate support and resources. Many delegates commented on the importance of ongoing evaluations and incorporating lessons learned in future work. One delegate noted that two countries that had declined to participate in the evaluation had some of the most substantial disease burdens, and he hoped that they would be included in future.

7. The decision point passed without further discussion. The TERG Chair thanked the Board for their support.

#### Decision Point GF/B19/DP29

*Recognizing the continued role of the Technical Evaluation Reference Group (TERG) in the follow-up to the Five Year Evaluation (5YE), as part of the TERG mandate to provide independent advice, assessment and oversight for the Global Fund's work on monitoring and evaluation (M&E), the Board:*

- 1. welcomes the findings and recommendations included in the Study Area (SA) 3 Report and in the Synthesis Report of the 5YE, as summarized in the TERG Report (GF/B19/10);*
- 2. endorses the TERG's call for action for the Global Fund to work with partners to strengthen country monitoring and evaluation, and information systems for performance and impact, to build analytical capacity in countries and to support development of country-owned impact evaluation platforms;*
- 3. requests the Secretariat to articulate a process and timeline for responding to and implementing the recommendations set out in SA3 and the Synthesis Report by 15 June 2009, and to report to the Board at its Twentieth Meeting, through the Policy and Strategy Committee (PSC), on the Secretariat's progress in responding to recommendations contained in the SA1, SA2, SA3 and Synthesis Reports, as well as the TERG recommendations in relation to these reports;*
- 4. requests the Chair of the Board, in consultation with Committee Chairs, to set up a small ad-hoc committee by 30 June 2009 with the specific task of assisting the Board, through the PSC, to (i) follow-up on, and formulate the Board's responses to the 5YE recommendations, and (ii) further define the role of the TERG in relation to independent evaluations, the resources required and Board oversight of the process.*

*This decision supersedes the Board Decision (GF/B18/DP21).*

*This decision does not have material budgetary implications.*

## **Agenda Item 12: Partnership Forum 2008**

1. The Chair of the Partnership Forum 2008 Steering Committee, Mr. Shaun Mellors, shared a multimedia presentation on the Global Fund's Third Partnership Forum and summarized its objectives, outcomes, major lessons learned and recommendations, as outlined in the Report of the Third Partnership Forum.

2. He informed the Board that the evaluation of the forum was complete and presented a decision point concerning follow-up to the recommendations and planning for the Fourth Partnership Forum. The decision point passed without discussion. The Steering

Committee Chair thanked the committee, the Communities Delegation, Secretariat staff and the Chair and Vice-Chair of the Policy and Strategy Committee for their support.

3. The Board Chair thanked the Steering Committee for their work and the Government of Senegal for hosting the Partnership Forum.

**Decision Point GF/B19/DP30**

*a) The Board takes note of the "Partnership Forum 2008 Report" (GF/B19/14) and agrees to use the recommendations contained therein to inform ongoing strategic planning and management of the Global Fund. The Board assigns responsibility to oversee follow-up on the recommendations to its committees as laid out in Attachment 1 to GF/B19/4.*

*b) The Board decides to hold the fourth Partnership Forum in the first half of 2011 and approves the following amendment to Article 6.3 of the By-Laws:*

*By-Laws: Article 6.3 Frequency and notice of meetings*

*The Partnership Forum will meet ~~biennially, at any time during even calendar years~~ every 24 to 30 months.*

*Meetings of the Partnership Forum shall be convened by written notice from or on behalf of the Foundation Board.*

*c) The Board mandates the Policy and Strategy Committee to establish a Partnership Forum Steering Committee to start planning for this event early in 2010.*

*d) The format, duration and organization of the fourth Partnership Forum should build on the lessons learned from previous Partnership Fora.*

*e) The Board approves a budget of US\$ 1,500,000 as an upper limit for the fourth Partnership Forum and requests the Finance and Audit Committee to ensure that provision is made in the 2010 budget for adequate staff resources.*

**This decision does not have material budgetary implications for 2009.**

**Agenda Item 13: Trustee Report**

1. The Trustee, represented by Ms. Susan McAdams delivered a presentation for information only on contributions to the Global Fund, disbursements to grantees, investment income and the current investment climate, concluding that the Global Fund's portfolio had maintained positive returns and that the World Bank would continue a prudent management strategy.

**Agenda Item 14: Election of Chair and Vice-Chair of the Board**

1. The Board Chair reported that consensus had not yet been reached on the election of new Board leadership, and he opened the floor to a discussion of how best to move forward. In the discussion, delegates presented differing views on the necessity of consensus, though all agreed it was the ideal. Delegates also agreed that there were

lessons to be learned for future election processes, which should be reviewed and modified as necessary.

2. Following the discussion, Board members agreed to delay the election of the Chair and Vice-Chair of the Board in order to facilitate further consultations on the candidate(s), and passed a decision point detailing this process.

**Decision Point GF/B19/DP32**

*The Board agrees to delay the election of the Board Chair and Vice Chair until no later than 15 July, 2009.*

*The Board requests a group representing the entire Implementing Voting Group, with assistance from the Secretariat, to recommend candidate(s) from the Implementing Voting Group before the election vote. Each constituency within the Implementing Voting Group shall appoint a participant for this group.*

*The Implementing Voting Group will ensure that its constituency members are fully informed and receive clear explanations in relevant languages of the nomination and election process and will facilitate discussion and agreement on the candidate(s).*

*The Board requests the Secretariat, supported by the Implementing Voting Group, to use other opportunities to explain the nomination and election process to delegations, such as at side meetings at the World Health Assembly, as well as efforts to directly inform individual delegations.*

*If there is only one recommended candidate for the Chair, the Board shall vote on the election of the Chair and Vice-Chair by electronic vote. If there is more than one recommended candidate, the Board shall vote on the election at a Special Board Meeting in person, combined with other business and with attendance limited to Board Members and Alternates.*

*As an interim measure, the Board decides to extend the terms of*

- (a) the current Board Chair and Vice-Chair, until the new Board leadership is appointed; and*
- (b) the current leadership and membership of the existing committees until the Twentieth Board Meeting after which the new leadership and membership of the committees will be established.*

*The Board requests the current Chair and Vice-Chair to constitute the new Market Dynamics Committee with full consultation with all Board members.*

*The Board requests the Policy and Strategy Committee (PSC) to review the procedures for nomination and election of the Board Chair and Vice-Chair taking into account lessons learned and report to the Board at its Twenty-First Meeting.*

**If an in-person Special Board Meeting is required, the budgetary implications of this decision are estimated to be approximately US\$180,000 for the Special Board Meeting.**

## **Agenda Item 15: The Global Fund's Role as a Strategic and Responsible Investor in HIV and AIDS**

1. The Board Chair referred to previous strategic discussions on TB and malaria and stated that with the complex issues related to HIV, it was even more important to have a

discussion of the Global Fund's role as a strategic and responsible investor in HIV and AIDS. He cited the prevention of mother-to-child transmission (PMTCT) of HIV as an example of an intervention with proven effectiveness that was still lagging in terms of full implementation.

2. The Chair noted that since the topic was vast, presentations and subsequent discussions would focus on two aspects: 1. decreasing the cost of HIV/AIDS treatment while increasing quality, and 2. the prevention of mother-to-child transmission of HIV and pediatric AIDS, with presentations to come from Mr. Anil Soni, CEO Clinton HIV/AIDS Initiative, Ms. Carol Nyirenda, Board Member for the Communities Delegation, and Mr. Peter McDermott, Managing Director of the Children's Investment Fund Foundation, with an introduction by Mr. Michel Sidibe, the Executive Director of UNAIDS.

3. In his introduction, Mr. Sidibe thanked the Board for its work in charting a course on these topics, stating that bold action would be needed to put AIDS into the history books and that ultimately, preventing new infections would be the most important way to avoid future treatment costs and avert tremendous human suffering. He stated his support for uniting the nearly 4 million people on treatment to become agents of change for HIV/AIDS treatment, care and support and he emphasized that in this time of crisis, the strategic and responsible investment in HIV/AIDS was more important than ever.

4. Mr. Sidibe highlighted a number of issues, including: the importance of national strategy applications; the need to improve the funding architecture to ensure that funding reached the community level more rapidly; the urgency of reaching those most in need with prevention, treatment and care; the challenge of embracing bolder goals; and the strategic importance of integrating services such as HIV and TB.

5. Mr. Soni gave a presentation on optimizing the cost and quality of HIV/AIDS care and treatment by supporting strategic program decisions related to technology, policy, service delivery and systems strengthening. Ms. Nyirenda gave a presentation that recommended technical assistance to support high-quality care, ensuring roles for people living with HIV, and assisting countries to improve procurement and supply chain management to reduce or eliminate stock-outs of life-savings drugs. Mr. McDermott gave a presentation on PMTCT and pediatric AIDS. He closed with a series of recommendations for the Global Fund on how it could help reduce HIV transmission and related morbidity and mortality in infants and children.

6. The Vice-Chair began the discussion by stating that the issue of empowering women and girls was critical to enable full access to and use of PMTCT services. She also noted that consistent messaging and skills training for safe infant feeding was needed and that ultimately, women needed options, information and the power to use that information.

7. Delegates thanked the presenters for their powerful and compelling presentations. A delegate asked that more information on cost effectiveness of grant-funded interventions be shared at the next Board meeting, and the Executive Director agreed that with the roll-out of Enhanced Financial Reporting, more detailed information would soon be available. The Executive Director added that the Global Fund supported reprogramming grant funds where interventions or protocols needed to change to reflect changing best practice.

8. Other issues raised in the discussion included: the availability and supply of different drug regimes; treatment adherence; treatment for opportunistic infections; information for women on safe infant feeding practices; HIV prevention and family planning for adolescents; integration of HIV services with maternal and child health services, TB services and routine primary care; services to support positive living for people living with HIV; the potential risk of absolute cost-effectiveness measures to programs that cost more per person due to complexities such as hard-to-reach populations or other factors; reducing treatment costs by investing in evidence-based, epidemic-

specific prevention; uses of the data gathered by the Global Fund; investment in programs with impact; working closely with partners to increase strategic investments; optimization of health services; and national control treatment guidelines and protocols. The Board Chair thanked presenters and Board members for the rich discussion.

9. The Board Chair presented a decision point on enhancing the Global Fund's response to HIV and AIDS. In subsequent discussions, Board members talked about the balance between providing leadership while not being overly prescriptive, and ensuring that partners, including implementing countries, were closely involved. The decision point passed.

10. A decision point was presented on preventing treatment disruption, asking the Secretariat to prepare a report to include an analysis of which implementing countries were at risk of HIV/AIDS, TB or malaria treatment disruption in 2009-2010. In the subsequent discussion, the Executive Director noted that the decision point covered both emergency supply in stock-out situations and countries whose proposals have failed in several funding rounds. Delegates noted that this was an important and urgent issue. The decision point passed.

#### Decision Point GF/B19/DP34

*1. As a leading multi-lateral financier of HIV/AIDS programs globally, the Board recognizes its role as a responsible steward of the Global Fund's investments on behalf of people living with and at risk of HIV and the need to ensure high impact of programs supported by the grants that it approves while achieving maximum value for money.*

*2. The Board recognizes that improving prevention efforts is critically important to the fight against HIV/AIDS and that the Global Fund should support countries in implementing HIV prevention strategies that are targeted, evidence-based and consistent with local epidemiology. The Board welcomes the initiative by UNAIDS to form, in an expedited manner, a working group, which may include interested Board constituencies, on assessing evidence and developing practical actions on increasing country adoption of 'combination prevention' strategies to determine relevant actions and the appropriate role for the Global Fund which will be presented to the Board at its Twentieth Meeting for relevant action.*

*3. The Board also recognizes that the Global Fund has a responsibility to use its influence to leverage a reduction in stigma, discrimination, criminalization of people due to their sexual orientation or gender identity and HIV+ individuals, travel restrictions and sexual and gender violence.*

*4. The Board recognizes that, despite important progress made, there are significant gaps in scaling up coverage of effective HIV prevention, treatment, care and support. In addition, there is an urgent need to improve the quality of care for people living with HIV, reduce the costs of treatment in the long term, and to increase the number of people served through programs supported by the Global Fund. Therefore, the Board:*

- i. Recognizes the urgent need to increase resource mobilization efforts, given the need to increase overall HIV treatment and care coverage to achieve the goal of universal access. In addition, acknowledges that increased uptake of innovations in HIV treatment and care may result in initial cost increases, but encourages the technical, programmatic and financial evaluation of these investments.*

- ii. *Requests the Secretariat to work with partners to project the long-term financial costs of existing commitments and future demand on the Global Fund as a major funder of prevention, treatment, and care, including the potential impact of strategies to improve outcomes and reduce treatment costs. This study should include but not be limited to possible protocol changes. Findings should be presented to the Portfolio and Implementation Committee in order to recommend relevant Board action prior to the Twenty-First Board Meeting.*
- iii. *Recognizing the value of new technologies to improving quality and cost-efficiency of HIV/AIDS prevention, care and treatment, requests the ad-hoc Market Dynamics Committee, in collaboration with partners, to consider how the Global Fund, its partners, Principal Recipients, and Sub-recipients can accelerate access to and uptake of cost-effective new technologies and optimized HIV treatment regimens, to improve outcomes.*
- iv. *Requests the Secretariat to urgently work with partners to adopt measures to identify gaps and to further improve the quality of Global Fund supported prevention, treatment, care and support including operational research to identify effective scaling up strategies to improve outcomes. These measures should be reviewed by the Portfolio and Implementation Committee during its review of the Round 10 proposal form and guidelines.*

*5. The Board recognizes that prevention of HIV in women and preventing HIV-positive mothers from dying and babies from being infected with HIV is crucial to achieving the goals of universal access and an HIV/AIDS-free generation. Scaling-up access to, and use of effective prevention of mother-to-child transmission (PMTCT) and paediatric HIV care, support, and treatment services - which are integrated with primary, maternal and child health and comprehensive sexual and reproductive health programs - is a critical component of the Global Fund's Gender Equality Strategy. Therefore, the Board requests the Secretariat to conduct a review of the portfolio to identify paediatric HIV high burden countries with low PMTCT and paediatric HIV care, support, and treatment coverage rates and prepare options for the Portfolio and Implementation Committee to use available mechanisms to accelerate transitions to more efficacious ARV regimens for effective PMTCT strategies, which should be reported to the Board at its Twentieth Board Meeting*

*6. The Board urges CCMs to consider while formulating future proposals that are targeted, evidence-based and consistent with local epidemiology to (i) re-intensify efforts to prevent HIV including among vulnerable populations; and (ii) to improve the health of HIV-infected pregnant women and children through effective PMTCT and paediatric HIV care and treatment programs to ensure improved responses to high paediatric loss-to-follow-up rates; and that strengthen a family centred care approach. The Board also urges CCMs and Principal Recipients, as needed, to consider reprogramming existing grants on the basis of the above.*

*This decision does not have material budgetary implications.*

*Decision Point GF/B19/DP31*

*The Board notes with concern increasing reports of threats to HIV/AIDS, tuberculosis (TB), and malaria treatment continuity. For example, recent estimates by the World*

*Bank indicate that antiretroviral treatment to 1.7 million people is under threat, with 15 countries "highly exposed" to the risk of treatment interruption.*

*Therefore, the Board requests the Chair and Vice Chair to delegate to the appropriate committee(s) the task of reporting back to the Board at its Twentieth Meeting with an update on this issue, including an analysis - undertaken by the Secretariat in cooperation with partners as a matter of urgency - that indicates which countries receiving Global Fund support for HIV/AIDS, TB and malaria treatment are at risk of treatment disruption in 2009-10. The Board requests that the Secretariat, while continuing its ongoing work to minimize the risk of stock-outs and treatment disruption, report to the appropriate committee(s) on whether or not existing procedures are adequate and propose solutions to minimize the risk of stock-outs and treatment disruption on an ongoing basis.*

*The Board also requests the Secretariat to designate a focal point to liaise with specified focal points among relevant partners and affected communities to facilitate communication and respond effectively and collectively to threats to treatment continuity.*

*This decision does not have material budgetary implications.*

## **Agenda Item 16: Annual Report 2008**

1. Mr. Jon Lidén, Director of the Secretariat's Communications Unit, spoke briefly about the 2008 Annual Report and presented a decision point to approve the content. The decision point passed without discussion.

### *Decision Point GF/B19/DP33*

*The Board approves the Annual Report as presented in GF/B19/11.*

*This decision does not have material budgetary implications.*

## **Agenda Item 17: Any Other Business & Closing Remarks**

1. The Board Chair thanked outgoing Board members for their service and dedication. A final decision point was then presented, expressing the Board's gratitude to the Secretariat's Deputy Executive Director, Ms. Helen Evans for her commitment and hard work during her years at the Global Fund and wishing her well in her future endeavors. The decision point passed and was followed by a standing ovation. The Chair of the Board closed the Nineteenth Board Meeting.

### *Decision Point GF/B19/DP35*

*We, the Board, express our sincere and deep gratitude to Helen Evans for her service to the Global Fund. Her dedication, fortitude, and ability to handle the many demands made on her with equity, patience and grace, especially during challenging times, is universally admired. Her ability to lead in so many critical areas of the Global Fund speaks volumes to her strength and skills.*

*We appreciate her passion, commitment and loyalty to the Global Fund and its mission and her principled leadership and tireless efforts to ensure its success. She will be much missed by the Board and by the Secretariat staff.*

*We wish Helen all the best in her endeavors, and look forward to continuing to work with her in her continuing role as a global health leader dedicated to improving global health.*

*This decision does not have material budgetary implications.*

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