



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Twenty-Second Board Meeting
Sofia, Bulgaria, 13-15 December 2010

GF/B22/4
Board Decision

REPORT OF THE POLICY AND STRATEGY COMMITTEE

PURPOSE:

1. This report summarizes the deliberations of the Policy and Strategy Committee (PSC) at its 14th meeting on 25-26 October 2010. It includes the decision points the PSC recommends to the Board for approval at its Twenty-Second Meeting, and the decision points taken by the PSC at its 14th meeting.

PART 1: INTRODUCTION

1.1 The Policy and Strategy Committee (PSC) met in Geneva on 26-26 October 2010 for its 14th meeting. The Chair was Dr. Suwit Wibulpolprasert (South East Asia); the Vice-Chair was Todd Summers (Foundations).

1.2 This report contains the following topics:

i. **Items for Board decision:**

- Implementing the new Global Fund grant architecture for health systems strengthening activities (Part 2)
- Health Systems Funding Platform - proposed design for a pilot to enable funding requests based on jointly assessed national health strategies (Part 3)
- Enhancing Global Fund support to maternal, new-born and child health (Part 4)
- Governance matters in relation to Board leadership (Part 5)
- Technical Evaluation Reference Group (TERG)-related matters (Part 6)

ii. **Items for information:** (Part 7)

- Key Performance Indicators: Mid-year report on results for 2010 and proposed modifications for 2011
- Partnership Forum: 2008 recommendations and 2011 preparations
- Update on the Voluntary Replenishment Conference
- The "Agenda for a More Efficient and Effective Global Fund"
- Update on the implementation of the new Global Fund grant architecture
- The new Global Fund strategy
- Update on the Second Wave of National Strategy Applications
- Practical considerations in relation to the timing of future funding opportunities

1.3 Guidance on the location of further information is provided in Annex 1 to this report.

PART 2: IMPLEMENTING THE NEW GLOBAL FUND GRANT ARCHITECTURE FOR HEALTH SYSTEMS STRENGTHENING ACTIVITIES Decision

2.1 In November 2009, the Board approved a new grant architecture for the Global Fund. Over the initial period of implementation, it has become clear that the new architecture is working well for its investments in HIV/AIDS, tuberculosis and malaria, however current policy prevents it from being fully implemented for "cross-cutting" health systems strengthening (HSS) activities.¹

2.2 While the Board previously recognized² some categories of HSS activities as being intrinsically cross-cutting (i.e. cross-disease), the existing policy in relation to these activities³ does not reflect that recognition: Currently cross-cutting HSS requests must be attached to a disease proposal and, if approved, become in effect "disease grants" (e.g., an HIV grant in name, but in substance a cross-cutting HSS grant). By attaching cross-cutting activities to disparate disease proposals and grants, this policy fragments cross-cutting HSS activities, which is contrary to the intent of the new grant architecture. Additionally, this policy does not serve as a practical or appropriate basis for

¹ "Implementing the new Global Fund grant architecture for health systems strengthening activities" (GF/PSC14/03)

² Decision GF/B16/DP10 - "Strategic Approach to Health Systems Strengthening"

³ Decision GF/B16/DP10 - "Strategic Approach to Health Systems Strengthening"

the recently approved Health Systems Funding Platform⁴, and would have a number of adverse consequences if applied to the Platform.

2.3 The PSC considered this issue at its 14th meeting⁵ and recommended technical policy changes to enable effective implementation of the new grant architecture for cross-cutting HSS activities, namely:

- i. To allow for the ability to submit stand-alone proposals for cross-cutting HSS activities; and
- ii. To allow for the ability to consolidate cross-cutting HSS activities into HSS Single Streams of Funding.

2.4 The PSC stressed that the recommended policy changes should not change the current scope of Global Fund support for HSS activities and their connection to the three diseases, and so should be seen more as a technical correction and not the opening of a separate HSS window.

2.5 One PSC constituency objected to the proposed changes and expressed a preference to allow the consolidation of cross-cutting HSS activities and still require the attachment of cross-cutting HSS requests to disease proposals so as to ensure preservation of the Global Fund's focus on the three diseases. Another constituency expressed that CCMs should consult with health sector coordination bodies to ensure coherence with the national health plan and complementarity with other partners' investments in the health sector.

2.6 The PSC decided to recommend the following decision point to the Board:

DECISION POINT 1: IMPLEMENTING THE NEW GRANT ARCHITECTURE FOR HEALTH SYSTEMS STRENGTHENING ACTIVITIES

To provide for a technical change in grant application and management policy so as to align Global Fund funding for cross-cutting health systems strengthening actions ("HSS") with the Global Fund new architecture as approved by the Board at the Twentieth Board Meeting (GF/B20/DP31) the Board decides as follows:

- 1. Individual proposals requesting Global Fund funding can address one of the following three components: HIV/AIDS, tuberculosis, or malaria, as well as requests to support related cross-cutting health systems strengthening (focusing on system-wide approaches and actions that significantly benefit more than one of HIV/AIDS, tuberculosis and malaria components) ("cross-cutting HSS component").*
- 2. The Board reiterates that applicants are encouraged, wherever possible, to integrate requests for funding for HSS actions within the relevant disease component(s). Such HSS actions will be assessed by the Technical Review Panel ("TRP") as part of its review of that disease component. The Board clarifies that the cross-cutting HSS component is for those activities that inherently are more appropriately addressed in a cross-cutting or cross-disease manner. When requesting funding for such cross-cutting HSS actions applicants are still required to articulate how they address identified health systems constraints to the achievement of improved outcomes in reducing the burden of HIV/AIDS, tuberculosis and malaria.*

⁴ Decision GF/B21/DP25 - "Health Systems Funding Platform"

⁵ "Implementing the new Global Fund grant architecture for health systems strengthening activities" (GF/PSC14/03)

3. *The Board requests the Secretariat to measure, monitor and report - as part of the Key Performance Indicators related to funding for HSS - to the Policy and Strategy Committee ("PSC") on funding provided for cross-cutting health systems strengthening proposals.*
4. *The Board requests the Joint Portfolio and Implementation Committee and PSC Eligibility, Cost Sharing and Prioritization Working Group to develop specific criteria for cross-cutting HSS applications as part of the eligibility and prioritization scheme to be approved by the Board in time for the launch of the Round 11 call for proposals.*
5. *Board policies and decisions that apply to proposals and grants for all three diseases shall apply equally to proposals and grants for the cross-cutting HSS component. The Board decision on the Architecture Review - Transition Provisions (GF/B20/DP31) shall apply to proposals and grants for the cross-cutting HSS component subject to the amendments outlined in Annex 2 to GF/B22/4.*
6. *The aspects in the Board decision on Strategic Approach to Health Systems Strengthening (GF/B16/DP10) that relate to funding requests for "cross-cutting HSS actions" (in particular paragraphs 3 and 4) and/or are inconsistent with this decision are revoked.*
7. *This decision does not change the existing scope of Global Fund support to cross-cutting HSS activities or create a new funding window for these HSS activities.*

This decision does not have material budgetary implications for the Operating Expense Budget.

PART 3: HEALTH SYSTEMS FUNDING PLATFORM - PROPOSED DESIGN FOR A PILOT TO ENABLE FUNDING REQUESTS BASED ON JOINTLY ASSESSED NATIONAL HEALTH STRATEGIES

Decision

3.1 The Health Systems Funding Platform ("the Platform") is a joint partner initiative of the Global Alliance for Vaccines and Immunisation (GAVI), the Global Fund and the World Bank, with facilitation from the World Health Organization (WHO) and input from country partners and civil society. Its objective is to make better use of new and existing funds for HSS through simplification of countries' access to HSS support, and through harmonization and alignment of this support in a way that is country driven, results-focused and involves all country stakeholders including civil society and the private sector.

3.2 The PSC discussed the Platform at its 13th Meeting⁶. The Board subsequently asked that further work take place to design a pilot to enable four to five countries to request HSS funding based on a jointly assessed national health strategy and delegated authority to the PSC to approve this pilot⁷.

3.3 The PSC considered the Secretariat's proposed design for the pilot⁸ and acknowledged the progress made in the joint partner work on the Platform. It noted the importance of multi-stakeholder inclusion in the development and assessment of the national health strategy, the

⁶ "Joint Health Systems Funding Platform" (GF/PSC13/03)

⁷ Decision GF/B21/DP5 - "Health Systems Funding Platform"

⁸ "Health Systems Funding Platform: Proposed design for a pilot to enable funding requests based on jointly assessed national health strategies" (GF/PSC14/04)

development of the funding request and the implementation of grants derived from such funding requests. Furthermore the PSC asked the Portfolio and Implementation Committee (PIC) and PSC, in their joint session on eligibility, cost sharing and prioritization, to include in their deliberations the issue of prioritization of recommended funding requests emanating from the Platform.

3.4 Because the Board had delegated authority to the PSC to review and approve the pilot design, the PSC took a decision to approve the design of the pilot, as follows:

PSC Decision Point 1: Health Systems Funding Platform - Pilot for funding requests based on jointly assessed national health strategies

The Policy and Strategy Committee ("PSC") refers to the Board Decision at its Twenty First Meeting (GF/B21/DP5) on the Health Systems Funding Platform (the "Platform") in which the Board requested the PSC to review and approve the design of a pilot in 4-5 countries of Track 2, option 2 of the Platform.

The PSC approves the design of the Pilot as outlined in the PSC paper GF/PSC 14/04.

The PSC recommends to the Board a decision point authorizing the Secretariat to make exceptions to existing policies and procedures necessary for the implementation of the Pilot.

The Secretariat shall report to the PSC at its first meeting in 2011 on progress of the Pilot's implementation.

3.5 The PSC also acknowledged that some of the recommendations for the pilot necessitate deviations from existing Board policies, such as for:

- i. the format of the funding request and the type of supporting information; and
- ii. the Terms of Reference for the Technical Review Panel (TRP) (including review procedures and review criteria).

3.6 The PSC therefore determined that this exceeded its delegated authority and that a further Board decision was required. It agreed to recommend to the Board a decision point allowing for exceptions from existing Board policies necessary to implement the pilot while emphasizing that these exceptions are only for that pilot.

DECISION POINT 2: HEALTH SYSTEMS FUNDING PLATFORM: PILOT FOR FUNDING REQUESTS BASED ON JOINTLY ASSESSED NATIONAL HEALTH STRATEGIES

The Board:

- 1. Notes that further to the Board decision on the Health Systems Funding Platform (GF/B21/DP5) the Policy and Strategy Committee ("PSC") has approved, in principle, the design of a pilot for 4-5 countries for Track 2 Option 2 (the "Pilot");*
- 2. Clarifies that the Pilot shall be conducted in accordance with the Board decision on "Implementing the New Grant Architecture for Health Systems Strengthening Activities" taken at its Twenty Second Meeting (GF/B22/DPXX); and*
- 3. Authorizes the Secretariat to make exceptions to existing policies and procedures to the extent necessary and within the parameters described in GF/PSC14/04 to implement the Pilot.*

Any exceptions to existing policies and procedures made in connection with the Pilot shall be consistent with the Framework Document of the Global Fund, including the principle that the Global Fund supports activities that help health systems overcome constraints to the achievement of improved outcomes in reducing the burden of HIV/AIDS, tuberculosis and malaria.

This decision does not have material budgetary implications for the Operating Expense Budget.

PART 4: ENHANCING GLOBAL FUND SUPPORT TO MATERNAL, NEW-BORN AND CHILD HEALTH

Decision

4.1 The Global Fund has made significant contributions to the health Millennium Development Goals (MDGs) through its investments in HIV, tuberculosis and malaria programs and HSS. Progress in achieving MDGs 4 (reduce child mortality) and 5 (improve maternal health) has been uneven, with many countries off-track to achieve their targets. The Board, at its Twenty-First Meeting in April 2010, decided⁹ to support the scale-up of an integrated response that reinforces the linkages between Global Fund investments and maternal, new-born and child health (MNCH). It requested the Secretariat to review and elaborate options for enhancing Global Fund contributions to MNCH.

4.2 The PSC was presented with three options for the Global Fund to channel new, additional financing for MNCH¹⁰:

Option 1: Host a new, dedicated initiative to channel funding for MNCH, building on the experience gained by the Global Fund with hosting the Affordable Medicines for malaria (AMFm) mechanism.

Option 2: Use the Health Systems Funding Platform to accelerate support for HSS for MNCH, leveraging the comparative advantage of different partners.

Option 3: Accelerate investments in MNCH through existing Global Fund channels by optimizing synergies with the current portfolio.

4.3 The three options put forward by the Secretariat are not an exhaustive list of the possible opportunities that the Board may wish to consider in its deliberations but formed the basis of the PSC's deliberations.

4.4 The PSC recognized the significant contributions already being made by the Global Fund to benefit women and children through investments in HIV, tuberculosis, malaria and HSS.

4.5 With regards to the above three options the PSC expressed broad support for Option 3 (to continue to accelerate investments in MNCH by optimizing synergies within the current portfolio). It stressed that this approach should not dilute funding for the three diseases, because this was determined to be already authorized by the Board decision at its last meeting (Decision Point GF/B21/DP20).

⁹ Decision GF/B21/DP20 - "Exploring options for optimizing synergies with maternal and child health "

¹⁰ "Enhancing Global Fund support to maternal new-born and child health" (GF/PSC14/05) - Annex 3 to this report

4.6 One PSC constituency expressed concern that the option of broadening the mandate of the Global Fund to include MNCH, in the event that substantial additional funding becomes available, was not included within the scope of the PSC paper. Some PSC members noted that the Board may still wish (and retains the right) to consider all options for addressing MNCH.

4.7 There was discussion, though no agreement, as to whether the options were consistent with the Global Fund's current mandate.

4.8 Some PSC members expressed concern that managing additional funding for MNCH may have transaction costs for the Secretariat and risk disrupting the work on other reforms¹¹, including the new grant architecture¹², while others noted it could present an important opportunity.

4.9 The PSC acknowledged that other options outlined in the paper, as well as other possible options, may require additional funding and may impact the mandate of the Global Fund and are therefore best considered as part of the development of the new Global Fund strategy.

4.10 In the end, the PSC adopted a decision point requesting the Secretariat to explore with donors the potential availability of additional MNCH funding - in a manner that would not jeopardize resource mobilization for the Global Fund and its core mission of addressing AIDS, tuberculosis, and malaria - in time for Board discussion of the new Global Fund strategy. Several constituencies emphasized that the purpose of this exploration would be to gather information for consideration by the Board and should not imply a recommendation to move forward with hosting an MNCH funding vehicle.

PSC Decision Point 2: Enhancing Global Fund support to maternal, newborn and child health

The Policy and Strategy Committee requests the Secretariat, working with partners, to explore with donors the availability of additional funding that could support targeted maternal, newborn and child health efforts by the Global Fund, and provide such input in time for consideration during the Twenty-Second Board Meeting and retreat.

4.11 The PSC also decided to recommend the following decision point to the Board:

DECISION POINT 3: ENHANCING GLOBAL FUND SUPPORT TO MATERNAL, NEWBORN AND CHILD HEALTH

- 1. The Board notes the paper presented by the Secretariat on potential options and implications for enhancing Global Fund contributions to maternal, new-born and child health (GF/B22/4 Annex 3), consistent with its previous decision (GF/B21/DP20).*
- 2. The Board requests the Secretariat to prepare and submit to the Policy and Strategy Committee, for discussion at its meeting in early 2011, a document setting out the policy and operational framework, implementation plan and budgetary implications of operationalizing this decision.*

This decision does not have material budgetary implications for the Operating Expense Budget.

¹¹ See Part 7 of this report "The 'Agenda for a More Efficient and Effective Global Fund' "

¹² See Part 7 of this report "Update on implementation of the new grant architecture"

5.1 In April 2009, the Board addressed delays in the election of the Board Chair and Vice-Chair by:

- i. Extending the terms of the existing Chair and Vice-Chair of the Board and its committees;
- ii. Delaying the election process;
- iii. Prescribing exceptional measures designed to resolve the challenges; and
- iv. Requesting the 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 Meeting¹³.

5.2 The PSC was presented with a paper¹⁴ that reviewed the existing rules for Board leadership changes, drawing on lessons learned from the leadership changes in 2009, the unique characteristics of the Global Fund and the practices of other institutions. The paper included options for possible changes to the rules governing the following areas with respect to the positions of the Board Chair and Vice-Chair:

- i. Entity launching the call for nominations;
- ii. Timing for the launch of nominations;
- iii. Nomination process;
- iv. Eligibility for nomination as Board Chair and Vice-Chair; and
- v. Representation status of Board Chair and Vice-Chair as a criterion for election.

5.3 The package of options presented was based on three principles that have driven past governance reforms, namely: ensuring balance between donor and implementing blocs; maintaining constituency ownership of their internal processes; and retaining relative flexibility in Board procedures while ensuring overall clarity and predictability.

5.4 The PSC recommended to change the Board Chair and Vice-Chair nomination process by:

- i. Placing the lead role in the process with the incumbent Board Chair and Vice-Chair;
- ii. Launching the process three months prior to the election date;
- iii. Delegating authority to the Board leadership to establish a nomination committee (if necessary); and
- iv. Having the Board Chair and Vice-Chair, upon election, serve as ex-officio members of the Board, independent of any constituency, and without voting rights.

5.5 Furthermore, the PSC indicated a strong preference that nominees for the role of Board Chair and Vice-Chair be both familiar with the workings of the Global Fund and have sufficient time to commit to these demanding roles. With this in mind the PSC recommended that all nominations should be put forward by a voting Board member and that upon making nominations, the terms of reference of the Board Chair and Vice-Chair must be used to assess candidates (since they give an indication of the type of person who might be suitable for the roles, and the time commitment these might take).

5.6 The PSC decided to recommend the following decision point to the Global Fund Board¹⁵:

¹³ Decision GF/B19/DP32 - "Procedure for the Election of the Chair and Vice-Chair of the Board". Given the heavy PSC agenda prior to the Twenty-First Board Meeting, the PSC leadership decided to consider this issue prior to the Board's Twenty-Second Meeting.

¹⁴ "Governance Matters: Board Leadership" (GF/PSC14/08)

¹⁵ The full amended versions of the "Terms of reference for the Chair and Vice-

DECISION POINT 4: BOARD CHAIR AND VICE-CHAIR NOMINATION AND ELECTION PROCESS

The Board approves the following amendments to the Board Chair and Vice-Chair nomination and election process:

- 1. The Board Chair and Vice-Chair shall launch the nomination process three months ahead of the Board meeting at which the election is scheduled to take place.*
- 2. The Board Chair and Vice-Chair shall have the delegated authority to establish a nomination committee if needed.*
- 3. Any individual nominated by a voting constituency, with the attributes stipulated in the Terms of Reference of the Board Chair and Vice-Chair, may stand for office.*
- 4. The Board Chair and Vice-Chair shall, upon election, become ex-officio members of the Board, independent of any constituency, and shall not hold voting rights.*

These amendments are reflected in the excerpts of the revised By-laws, Board Operating Procedures and Terms of Reference of the Board Chair and Vice-Chair contained in Annex 4 of GF/B22/4.

This decision does not have material budgetary implications for the Operating Expense Budget.

5.7 Finally, the PSC noted a number of other less urgent governance-related issues (not relating to the nomination and election process of the Chair and Vice-Chair) needed attention and decided these issues should be discussed in time for recommendations to be made to the Board at its Twenty-Third Meeting in May 2011.

PART 6: TERG-RELATED MATTERS

Decision

6.1 At its meeting in May 2009 the Board, in its deliberation on the follow-up to the Five-Year Evaluation of the Global Fund, requested *“the Chair of the Board, in consultation with Committee Chairs, to set up a small ad-hoc committee [...] with the specific task of assisting the Board, through the PSC, to (i) follow-up on and formulate the Board’s responses to the [Five-Year Evaluation] recommendations, and (ii) further define the role of the TERG in relation to independent evaluations, the resources required and Board oversight of the process”*¹⁶.

6.2 Following this Board decision, the Chair of the Board at the time, Rajat Gupta, asked Ambassador Lennarth Hjelmåker, the Chair of the PSC at the time, to establish this ad-hoc committee as a sub-committee of the PSC. A 12-member sub-committee was established and focused its attention on the second part of its mandate relating to the role of the TERG. The PSC discussed this at its 13th Meeting¹⁷.

Chair of the Board of The Global Fund to Fight AIDS, Tuberculosis and Malaria”, the “Board Operating Procedures” and the “By-Laws” are available on the Governance Extranet Board page:

<http://extranet.theglobalfund.org/board/default.aspx>

¹⁶ Decision GF/B19/DP29 - “Follow-up to Five Year Evaluation”

¹⁷ “Report of the Policy and Strategy Committee - Annex 3 Revision 1” GF/B21/4

6.3 At the 14th PSC meeting the PSC Vice-Chair presented the possible evolution, future role and new terms of reference of the TERG, based on input from the former Chair of the Five-Year Evaluation Sub-Committee¹⁸, the TERG leadership and the Secretariat. The PSC discussed:

- i. The future size of the TERG;
- ii. The replenishment of TERG members;
- iii. Aligning the compensation of TERG members to that of TRP members;
- iv. The recruitment process of TERG members;
- v. The reporting lines of the TERG;
- vi. How to ensure the independence of the TERG; and
- vii. Where the TERG support staff should be housed.

6.4 The PSC agreed to postpone the replenishment of those TERG members whose terms of office would expire in November 2011 until after the Twenty-Second Board Meeting, thus extending by a few months the terms of office of these members (until new terms of reference of the TERG are agreed and implemented). With this in mind the PSC highlighted the need to urgently recommend to the Board for approval new terms of reference for the TERG.

6.5 The PSC further agreed its Vice-Chair would continue the work started by the Chair of the Five-Year Evaluation Sub-Committee in this area by leading discussions with members of the Sub-Committee, the Secretariat and the TERG to draft new terms of reference for the TERG; and to draft a decision point detailing recommendations in this area for PSC consideration and approval at the Twenty-Second Board Meeting.

6.6 Following the 14th PSC meeting the PSC Vice-Chair held consultations with the Five-Year Evaluation Sub-Committee¹⁹, the TERG²⁰ and discussions with the Secretariat on this area of work.

6.7 Participants to those consultations agreed that:

- i. The mandate of the TERG as presented by the PSC Vice-Chair was correct:
 - To provide the Board with independent advice, assessment and oversight of the Global Fund's work on Monitoring and Evaluation (M&E), and notably on the M&E strategy; and
 - To advise the Secretariat on matters related to M&E.
- ii. TERG key activities should consist of:
 - Annually reviewing the Global Fund's M&E Strategy, developed by the Secretariat, and provisions of oversight on behalf of the Board;
 - Developing an annual Independent Evaluation Plan based on the Global Fund's M&E Strategy, to include work to test and complement monitoring and evaluation work carried out by, or on behalf of, the Secretariat and grantees as determined by the TERG and/or recommended by the Board and its committees;
 - Approving the terms of reference and selection of consultants for independent evaluation work included in the annual Independent Evaluation Plan;
 - Assessing and advising on monitoring and evaluation tools, practices and policies of the Secretariat, implementers, and the Board;
 - Ensuring accurate reporting of grant related M&E results to the Board;

¹⁸ The original Chair of the Sub Committee Ambassador Lennarth Hjelmåker moved position within the Swedish Ministry of Foreign Affairs in August 2010 and handed over the work of this Sub Committee to the PSC leadership

¹⁹ Via a telephone conference on Thursday 4 November 2010 and subsequent e-mail consultations

²⁰ Via a telephone conference on Friday 5 November 2010 and subsequent e-mail consultations

- Networking with similar M&E reference mechanisms in partner organizations; and
 - Developing a framework for the next major evaluation, including a systematic and staged approach rather than the previous “all at once” five-year evaluation effort.
- iii. The size and composition of the TERG should remain the same, but the process for appointing TERG members should be slightly amended;
 - iv. The honorarium for TERG members should be aligned to that of TRP members, under measures overseen by the Finance and Audit Committee;
 - v. The TERG should serve and interact with the Board and all its committees, and report to the Board through the PSC;
 - vi. The independence of the TERG should be reinforced by:
 - The TERG having its own FAC-approved workplan and budget (as distinct from the Secretariat’s workplan and budget);
 - The TERG submitting a plan for independent evaluations as well as its conclusions and recommendations from independent evaluations directly to the PSC; and
 - The TERG support team remaining administratively as part of the Secretariat whilst (in a way that would ensure that it is kept aware of all M&E activities conducted by the Secretariat and by grant recipients) maintaining a certain level of independence in delivering its tasks, which should be guaranteed by its capacity to report directly to the Office of the Executive Director.

6.8 Following these consultations the PSC considered a number of proposals for recommendation to the Board including new terms of reference for the TERG. The PSC agreed to recommend the following decision point, (including the new terms of reference of the TERG²¹) to the Board.

DECISION POINT 5: TECHNICAL EVALUATION REFERENCE GROUP (TERG)-RELATED MATTERS

1. *The Board acknowledges the work of the sub-committee of the Policy and Strategy Committee on the follow-up to the Five-Year Evaluation and on the future of the TERG, starting in May 2009. The Board also thanks the TERG for its involvement in this reflection.*
2. *To ensure that the TERG moves forward with sufficient resources, expertise, independence and credibility in advising the Board and its committees on monitoring and evaluation matters, the Board approves the revised Terms of Reference, membership and procedures for the Technical Evaluation Reference Group (as set out in the PSC Report to the Board GF/B22/4 Annex 5);*
3. *The Board notes that Dr Ruth Levine resigned from the TERG in April 2010. The Board also notes that the terms of Dr Lola Dare and Dr Atsuko Aoyama on the TERG are due to expire and decides to extend the terms of these two members of the TERG until the end of February 2011.*
4. *The Board requests the Secretariat and the PSC to launch the process of nominations for new members of the TERG with the aim of having a complete TERG in March 2011.*

²¹ See Annex 5 to this report

5. *The Board requests the TERG to include in its 2011 annual report to the Board an assessment of its own independence and of the independence of the TERG support team within existing administrative arrangements and to make recommendations for change, if appropriate.*

This decision does not have material budgetary implications for the Operating Expense Budget.

PART 7: ITEMS FOR INFORMATION

Key Performance Indicators: Mid-year report on results for 2010 and proposed modifications for 2011 Information

7.1 As mandated by the Board,²² the PSC at its 14th meeting assessed the mid-year results achieved against the 2010 Key Performance Indicators (KPIs). It also discussed revisions to the KPI framework and indicators for 2011²³. The 2010 KPI framework, which comprises 23 indicators, was approved by the PSC at its 12th meeting in September 2010²⁴.

7.2 The PSC acknowledged the improved performance of the Global Fund on the Key Performance Indicators at mid-2010, and especially on *Volume of Financing*, *Disbursement Speed* and the *Staff Diversity - Ethnicity* sub-indicator. It noted the continued strong performance of Global Fund-supported programs, namely in terms of results achieved against the "Top-10"²⁵ indicators, as well as levels of funding allocated to civil society

7.3 The PSC raised concerns about deteriorating performance on the *Performance-Based Funding* indicators and on the *Staff Diversity - Gender* and *Communities* sub-indicators. It emphasized the need to balance speed with quality in grant signing and disbursement processing, and the fact that the KPI framework may need to be adjusted to support tracking the implementation, as appropriate, of the "Agenda for a More Efficient and Effective Global Fund"²⁶. Finally the PSC noted the importance of the strong engagement of the PSC Performance Management Sub-Committee in on-going improvement of the Global Fund's KPI framework.

7.4 The PSC approved the following decision point and noted the limitations of the new indicator on *Government Health Spending* in terms of using data from National Health Accounts for assessing additionality.

²² Decision GF/B16/DP13 - "Amendment of Assessment Process for Key Performance Indicators"

²³ "Key Performance Indicators: Mid-year Report on Results for 2010 and Proposed Modifications for 2011" (GF/PSC14/02)

²⁴ "Key Performance Indicators: Mid-year Report on Results for 2009 and Proposed Modifications for 2010" (GF/PSC12/09)

²⁵ The "Top 10" indicators are output indicators aimed at measuring the delivery of services to people in need. As the Top 10 service delivery activities represent core program areas, achievement of targets on these indicators by disease programs is of particular importance when the Global Fund makes funding decisions. See "Key Performance Indicators: Mid-year Report on Results for 2010 and Proposed Modifications for 2011" (GF/PSC14/02) Annex 4 pg. 20 for further information

²⁶ See Part 7 of this report "The 'Agenda for a More Efficient and Effective Global Fund' "

PSC Decision Point 3: Key performance indicators - 2010 mid-year results and modifications for 2011

The Policy and Strategy Committee (PSC):

1. *Notes the mid-year results for the 2010 Key Performance Indicators (KPI) presented in GF/PSC14/02 and recognizes improved performance reported on the majority of indicators. The PSC was largely satisfied with the explanations provided for the targets not met and the proposed corrective actions, but expressed a range of questions and concerns about areas of persistent under-performance as well as the connection between the KPIs and actual in-country performance.*
2. *Approves the following proposed modifications to the KPI Framework for 2011, as presented in the Annex 1 of GF/PSC14/02:*
 - i. *Addition of the indicator numbered 24 - 'Community Systems Strengthening'; and*
 - ii. *Finalization of the indicator numbered 16 - 'Government Health Spending' (based on the preliminary indicator proposed to the PSC in March 2010).*
3. *The PSC requests its Performance Management Sub Committee, taking into account the concerns expressed by PSC members and the reform agenda, to review the current indicators to:*
 - i. *Assess their continued appropriateness for monitoring grant and secretariat performance at high level;*
 - ii. *Consider the necessity of additional indicators to track progress on the reform agenda, including as reflected in the 'Agenda for a More Efficient and Effective Global Fund';*
 - iii. *Assess the feasibility and value of weighting the KPIs so as to emphasize those that are fundamental to performance measurement;*
 - iv. *Recommend a systematic way to review the accuracy of the data on KPIs, including the possibility of an independent review by experts, taking into account the contribution of the TERG to this review process; and*
 - v. *Report back to the PSC, at its first meeting in 2011, on progress in these areas.*

Partnership Forum: 2008 recommendations and 2011 preparations

Information

7.5 Since the establishment of the Global Fund in 2002, three Partnership Fora have been convened to provide persons and entities concerned with the prevention, care, treatment and eventual eradication of HIV/AIDS, tuberculosis and malaria with the opportunity to express their views on the Global Fund's policies and strategies.

Follow-up to the 3rd Partnership Forum:

7.6 Recommendations from the last (3rd) Partnership Forum, held in Dakar, Senegal in December 2008, were presented at the Nineteenth Board Meeting²⁷. The Board acknowledged the package of 40 recommendations, and the suggested framework for committee oversight of implementation of those recommendations²⁸.

²⁷ "Report of the Policy and Strategy Committee" GF/B19/4 Attachment 1, and GF/B19/DP30 "Partnership Forum 2008"

²⁸ Decision GF/B19/DP30 - "Partnership Forum 2008"

7.7 At its 14th meeting the PSC was provided with a detailed status report for each of the 40 recommendations from the 3rd Partnership Forum²⁹. The PSC noted the considerable progress to date in the implementation of the majority of recommendations from the 3rd Partnership Forum in 2008³⁰, acknowledging that the Board and its committees have a clear role to assess each recommendation for ongoing relevance, and that full implementation is not always appropriate.

7.8 It was noted that there were two groups of recommendations not yet fully addressed:

- i. Proposed Country Coordinating Mechanism (CCM)-strengthening measures to improve civil society and gender representation; and
- ii. That the Board set up a gender advisory group to support implementation of the Gender Equality Strategy.

7.9 The PSC acknowledged the Secretariat's summary that the CCM recommendations would be fully addressed if, at the Twenty-Second Board Meeting, the Board approved amendments to the CCM Guidelines. It also acknowledged the Secretariat's update on the implementation status of the Gender Equality Strategy's "Plan of Action (2009 - 2012)"³¹ and appreciated the scope of actions undertaken to date. The PSC discussed the appropriateness of setting up a Board-level gender advisory group and noted that a planned March 2011 Gender Equality Strategy mid-implementation report to the PIC and the PSC would help the PSC determine, at that time, the necessity of setting up such a group to support the ongoing implementation of the Gender Equality Strategy.

7.10 The PSC approved the following decision point:

PSC Decision Point 4: 3rd Partnership Forum

The Policy and Strategy Committee PSC:

1. *Notes the implementation achievements arising from the recommendations of the 3rd Partnership Forum held in 2008 and thanks the Portfolio and Implementation Committee (PIC) for their leadership in ensuring recommendations under the PIC's oversight were considered, debated and implemented as appropriate;*
2. *Requests the Secretariat to provide a comprehensive status report on implementation of the Gender Equality Strategy Plan of Action (2009 - 2012) to the PSC and PIC at their first meeting in 2011, at which time the PSC may consider the necessity of implementing the recommendation for a Board level advisory group for the Gender Equality Strategy; and*
3. *Requests the Secretariat to publish a final report on implementation of the 3rd Partnership Forum recommendations after the Twenty Second Board Meeting.*

Preparations for the 4th Partnership Forum:

7.11 At its Nineteenth Meeting, the Global Fund Board mandated the PSC to form a Partnership Forum Steering Committee (PFSC) for the 4th Partnership Forum³². Under the guidance of the PSC Chair and Vice-Chair this has been set up and will be chaired by Dr. Paulo Teixeira (Latin America and Caribbean) with Mr. Nils Daulaire (USA) as Vice-Chair.

²⁹ "Partnership Forum: 2008 recommendations and 2011 preparations" GF/PSC14/09

³⁰ thirty-three recommendations (82%) have been fully implemented

³¹ "Implementation of the Gender Equality Strategy and the Sexual Orientation And Gender Identities Strategy" (GF/PIC02/08)

³² Decision GF/B19/DP30 - "Partnership Forum 2008"

7.12 The PSC, at its 14th meeting welcomed the summary of early steps for the organization of 4th Partnership Forum, planned for June 2011.

7.13 The PSC discussed the scope of a formal inter-relationship of the 4th Partnership Forum agenda and the Global Fund's next 3-5 year strategy. It agreed that the next Global Fund strategy should be presented at the 4th Partnership Forum to enable a broad range of stakeholders to:

- i. Discuss implementation approaches and priorities of the new strategy; and
- ii. Identify key areas of potential risk, and report back to the Board on items that may require updating as part of the ongoing revision processes around the strategy and its implementation over time.

7.14 The PSC asked the PFSC to ensure well-framed, specific questions are developed to enable this valued input.

7.15 The PSC approved the following decision point:

PSC Decision Point 5: 4th Partnership Forum

The PSC:

1. *Endorses the document presented at Annex 3 of the Secretariat's paper GF/PSC14/08 at the Terms of Reference for Partnership Forum Steering Committees effective immediately; and*
2. *Takes note of the June 2011 timing for the main Partnership Forum conference event, and supports the Partnership Forum Steering Committee developing an overall theme and approach that focuses upon, as a key priority, the Partnership Forum's contribution to the Global Fund's 3-5 Year Strategy.*

Update on the Voluntary Replenishment Conference

Information

7.16 The Secretariat presented the PSC with a synopsis of the Replenishment strategy, gave an overview of the outcomes of the pledging conference³³ and outlined the key elements of future resource mobilization efforts.

7.17 The PSC commended the Secretariat for the success of the Replenishment and the achievement of a 20 percent funding increase. The Committee recognized the collective nature of the Replenishment effort. The importance of widening the donor base was noted and the importance of domestic funding in further strengthening the work of the Global Fund reiterated.

The "Agenda for a More Efficient and Effective Global Fund"

Information

7.18 The Secretariat presented a paper³⁴ that had been previously discussed at the replenishment pledging conference³⁵, and that outlined the key strategic and operational reforms currently being undertaken within the Global Fund. The PSC recognized the importance of the reforms presented by the Secretariat and the progress already achieved in their implementation.

³³ The Second Meeting of the Third Voluntary Replenishment - that took place in New York on 4 -5 October 2010

³⁴ "An agenda for a more efficient and effective Global Fund" GF/PSC14/06

³⁵ The Second Meeting of the Third Voluntary Replenishment - that took place in New York on 4 -5 October 2010

7.19 The PSC underlined the need to:

- i. Continue progress on implementing improvements and reforms;
- ii. Improve indicators to measure the impact of reforms, as well as progress of the reforms;
- iii. Work with partners to move the reform agenda at country level (e.g., to address stock-outs and the speed of grant-signing);
- iv. Consider not only existing mechanisms, but also other financing mechanisms such as the World Bank;
- v. Communicate the reform agenda broadly and ensure other committees are informed as relevant to their role (PIC, Market Dynamics and Commodities Ad Hoc Committee);
- vi. Focus not only on making the Global Fund bigger, but also more effective, because good performance will attract more resources;
- vii. Broaden the scope of reforms to include all Global Fund structures, including the Secretariat, in-country structures and the Board; and
- viii. Provide an update on reforms to inform discussions at the pre-Twenty-Second Board Meeting retreat and at the Board meeting itself.

7.20 The PSC also encouraged the Secretariat and the Global Fund Board to advance the reforms as quickly as possible.

Update on the implementation of the new Global Fund grant architecture

Information

7.21 The PSC received an update on the implementation of the new Global Fund grant architecture highlighting the progress on its implementation and the results it is generating. The PSC stressed the Secretariat should continue efforts to effectively communicate on the new grant architecture to all stakeholders, including in particular:

- i. Clarifying the interaction between Single Streams of Funding and Dual-Track Financing; and
- ii. Releasing communications materials in other languages (e.g., French).

7.22 Also the PSC highlighted that partnership should continue to be a key focus area in the architecture implementation, to maximize the impact and sustainability of the changes being implemented.

The next Global Fund strategy

Information

7.23 Representatives from the Office of the Chair and Vice-Chair of the Board presented the goals, structure, and draft agenda for the Board retreat (taking place prior to the Twenty-Second Board Meeting) where the new Global Fund strategy will be discussed. The PSC welcomed being consulted on the process for the development of the new strategy and stated that the PSC should play a key role in this process. The PSC also noted the Executive Director's request that the appropriate role of the Secretariat in the strategy development process be considered.

7.24 PSC members expressed general agreement with the draft agenda's structure and the proposed outcomes of the retreat. They suggested space be created in the agenda to review current and future opportunities and challenges in HIV/AIDS, tuberculosis, and malaria, and highlighted that the inclusion of country perspectives within this strategy development is essential. The link between the work on the strategy and the "Agenda for a more Efficient and Effective

Global Fund” and other reforms was noted - including the need for these reforms to inform the planning process for the Board retreat. Several PSC members raised concerns regarding the density of the draft retreat agenda, and stressed it needed to focus on key strategic items and less on operational issues.

7.25 With regards to the timeline for the development of the new strategy the PSC recommended that this take place in a rapid yet responsible manner, ensuring consultation with key stakeholders is built into the process. Some members expressed doubt that a full strategy process can be accomplished in a few months’ time given the complexity and breadth of issues that should be addressed, and the time needed to achieve consensus on these issues at Board-level.

Update on the Second Wave of National Strategy Applications

Information

7.26 Based on the positive feedback gathered in the First Learning Wave about the value of the National Strategy Application (NSA) approach, the Board approved in April 2010 the initiation of a second NSA wave³⁶. As with the First Learning Wave, the Second Wave is limited in scope and focuses on national disease strategies so lessons can be drawn to guide the broader roll-out of NSAs in the future. At the same time, its design will move closer to the intended NSA end vision, in particular through the introduction of a *joint* assessment of national disease strategies.

7.27 The Secretariat has been working to design and plan the Second Wave, and prepare for its launch. The Secretariat updated the PSC at its 14th meeting on the design and the status of the preparations underway - including in relation to the following workstreams:

- i. Timing of the Second Wave;
- ii. Country participation;
- iii. Joint assessment of national disease strategies;
- iv. Multi-stakeholder involvement; and
- v. Design of NSA application materials.

7.28 The PSC noted the substantial work undertaken with partners in the design of this Second Wave, particularly through the Multi-Partner Working Group³⁷ and through discussions with three TRP “focal points”, country-level representatives³⁸ and civil society representatives³⁹. The PSC appreciated the explanation of how the NSA Second Wave will link to the new Global Fund grant architecture⁴⁰ and to the Health Systems Funding Platform.

7.29 In relation to timing, the PSC was briefed that the steps and timeline of the Second Wave are such that it would have needed to be launched at the latest the week of 18 October 2010 in order to meet the Board-mandated timing of approving Second Wave NSAs in the fourth quarter of 2011.⁴¹ However, in light of the Replenishment outcome, the Board Chair and Vice-Chair recently advised to defer the launch and for the Board to discuss a revised Second Wave timing at the upcoming Twenty-Second Board Meeting, at the same time as it discusses the timing of Round 11.

³⁶ Decision GF/B21/DP4 - “Next National Strategy Application Funding Opportunity”

³⁷ Comprising Roll Back Malaria, Stop TB, UNAIDS, WHO, the US Government, and the Global Fund Secretariat

³⁸ Via discussions with Latin America & Caribbean CCM stakeholders, East Asia & Pacific, South & West Asia stakeholders, Rwanda, Lesotho and Swaziland stakeholders

³⁹ Via discussions with Global Fund civil society Board constituencies, Southern Africa civil society stakeholders and European-based international health NGO stakeholders

⁴⁰ Consolidated proposals, single streams of funding and more program-based periodic reviews will all be applied to NSAs.

⁴¹ Decision GF/B21/DP4 - “Next National Strategy Application Funding Opportunity”

7.30 The PSC received a presentation from the Secretariat highlighting that currently the Board has not committed to a time schedule for the launch and approval of the next funding round - Round 11. It noted that a previous Board decision⁴² requires advance notice to be given of the next two calls for proposals, which is not currently the case.

7.31 The PSC acknowledged that the timing of Round 11 and the revised timing of the NSA Second Wave need to be discussed together at the Twenty-Second Board Meeting in December 2010. The PSC noted that both Round 11 and the NSA Second Wave are important to the successful implementation of the "Agenda for a more efficient and effective Global Fund"⁴³. The PSC noted the alternative timing option presented for Round 11 and the NSA Second Wave for information, and recognized that further options could be explored. Certain PSC members expressed concern with the implications for countries of delaying funding opportunities.

⁴² Decision GF/B14/DP12 - Establishment of Fixed Dates for Rounds

⁴³ See part 7 of this report, "Agenda for a more efficient and effective Global Fund"

GUIDANCE ON LOCATION OF FURTHER INFORMATION

The following table indicates where further information on items dealt with in this report can be found:

Where indicated with (*) documents are available on the Governance Extranet password-protected website: <http://extranet.theglobalfund.org/board>

Other documents are available on the Global Fund public website

Item:	Location of further information:
Implementing the new Global Fund grant architecture for health systems strengthening activities	- "Implementing the new Global Fund Grant architecture for health systems strengthening activities" (GF/PSC14/03)*
Health Systems Funding Platform - Proposed design for a pilot to enable funding requests based on jointly assessed national health strategies	<ul style="list-style-type: none"> - "Health Systems Funding Platform - Proposed design for a pilot to enable funding requests based on jointly assessed national health strategies" (GF/PSC14/04)* - "Health Systems Funding Platform" (GF/PSC13/03)* - "Developing a common platform for joint funding and programming of health systems strengthening with the World Bank and the GAVI Alliance" (GF/PSC12/04)* - Board Decision Point: GF/B20/DP4 Joint HSS platform with GAVI and World Bank - Board Decision Point: GF/B21/DP5 Health Systems Funding Platform
Enhancing Global Fund support to maternal new-born and child health	<ul style="list-style-type: none"> - "Enhancing Global Fund support to maternal new-born and child health" (GF/PSC14/05)* - "The Global Fund's potential role in supporting MDGs 4 and 5" (GF/PSC13/11)* - Board Decision Point: GF/B21/DP20 - Exploring options for optimizing synergies with maternal and child health
Governance matters in relation to Board leadership	- "Governance matters: Board leadership" (GF/PSC14/08)*
TERG-related matters	<ul style="list-style-type: none"> - PowerPoint presentation from 14th PSC meeting to be found in 14th PSC slide pack* - "Update on TERG Activities" (GF/PSC13/06)*
Key Performance Indicators: Mid-year report on results for 2010 and proposed modifications for 2011	<ul style="list-style-type: none"> - "Key Performance Indicators: Mid-year report on results for 2010 and proposed modifications for 2011" (GF/PSC14/02)* - "Key Performance Indicators: Year-end report on results for 2009 and proposed modifications for

Item:	Location of further information:
	2011" (GF/PSC13/05)* - "Key Performance Indicators: Mid-year report on results for 2009 and proposed modifications for 2010" (GF/PSC12/09)*
Partnership Forum: 2008 recommendations and 2011 preparations	- "Partnership Forum: 2008 recommendations and 2011 preparations" (GF/PSC14/09)* - "Partnership Forum 2011" (GF/PSC13/08)* - "Partnership Forum 2008" (GF/B19/14)
Update on Voluntary Replenishment Conference	- PowerPoint presentation from 14 th PSC meeting to be found in 14 th PSC slide pack*
An agenda for a more efficient and effective Global Fund	- "An agenda for a more efficient and effective Global Fund" (GF/PSC14/06)*
Update on implementation of new Global Fund grant architecture	- PowerPoint presentation from 14 th PSC meeting to be found in 14 th PSC slide pack*
The new Global Fund strategy	- PowerPoint presentation from 14 th PSC meeting to be found in 14 th PSC slide pack*
Update on Second Wave of National Strategy Applications	- PowerPoint presentation from 14 th PSC meeting to be found in 14 th PSC slide pack* - "Analysis of lessons from the National Strategy Application First Learning Wave and proposed further investment through National Strategy Applications" (GF/PSC13/02)* - "National Strategy Applications" (GF/PSC10/04)* - Board Decision Point: GF/B21/DP4 Next National Strategy Funding Opportunity - Board Decision Point: GF/B18/DP20 Phased Roll-out of National Strategy Applications with First Learning Wave
Practical Considerations in relation to timing of future funding opportunities	- PowerPoint presentation from 14 th PSC meeting to be found in 14 th PSC slide pack*

Architecture Review - Transition Provisions

Decision Point GF/B20/DP31
(as amended at the Twenty-Second Board Meeting December 2010)

The Board refers to its decision made at the Eighteenth Board Meeting on the Global Fund Architecture (GF/B18/DP19) and recognizes that:

- i. the Global Fund was established to provide significant additional financing to fight AIDS, tuberculosis and malaria;
- ii. over time, with the increase in its funding to countries and the resulting multiplicity of funding streams from the Global Fund to Principal Recipients ("PRs"), the funding architecture has become complex;
- iii. the funding architecture of the Global Fund requires simplification; and
- iv. the Board has already endorsed the Single Stream of Funding per PR per disease as the foundation for a new funding architecture.

Therefore, in order to simplify Global Fund support to current and future implementers of national disease-fighting and health systems strengthening programs, the Board decides as follows:

1. ~~The Secretariat shall, at the appropriate time as determined by the Secretariat in collaboration with CCMs:~~

- ~~a. consolidate approved grants to one PR supporting a program to fight one of HIV/AIDS, tuberculosis or malaria (which may include any health systems strengthening elements) into one grant agreement (a "Single Stream Agreement") with an initial commitment period of up to three years, by, as appropriate, combining budgets, workplans and targets; and~~
- ~~b. align the financial commitment periods for each of the Grant Agreements with different PRs for a particular disease in a country by adjusting the durations and commitment amounts (in accordance with paragraph 2 below).~~

1. The Secretariat shall, at the appropriate time as determined by the Secretariat in collaboration with Country Coordinating Mechanisms ("CCM"):

- a. consolidate grants under each principal recipient (PR) with cross-cutting HSS activities as approved under previous relevant policies into one grant agreement (a "Single Stream Agreement") with an initial commitment period of up to three years, by, as appropriate, combining budgets, workplans and targets; and
- b. align the financial commitment periods for each of the Grant Agreements with different PRs for the cross-cutting HSS component in a country by adjusting the durations and commitment amounts;" and

2. In order to facilitate the activities described in paragraph 1 above, the Board delegates to the Secretariat the authority to:

- a. make reasonable adjustments to:

- i. the duration of the funding commitment period for the resulting Single Stream Agreement (including both extensions and truncations);
 - ii. the implementation activities contained in the proposals; and
 - iii. the time periods for reaching performance targets contained in proposals; and
- b. commit additional funding to the Single Stream Agreement the equivalent of 12 months of grant funds requested in an approved proposal (including a National Strategy Application (“NSA”)), but as yet uncommitted (from Phase 2 Renewals or RCC II Renewals) which shall be committed by the Secretariat in accordance with paragraph 3c of the Comprehensive Funding Policy, as presented in Annex 5 Version 2 to GF/B20/12 Report of the Working Group on Managing the Tension Between Demand and Supply in a Resource-Constrained Environment.
3. Consolidation of existing grants and alignment of commitment periods of all grants that support a disease program will enable the Secretariat to make recommendations for additional financial commitments under the Periodic Reviews and Commitments Policy attached as Annex 2a Version 2 to GF/B20/4 “Report of the Policy and Strategy Committee”, which will be operational not earlier than 1 January 2011. The Board requests the Secretariat to conduct further work on a mechanism to allow for additional funding on the basis of demonstrated strong performance at the time of the requests for and approval of Additional Commitments under the Periodic Reviews and Commitments Policy. In undertaking this work, the Secretariat shall analyze and further describe its feasibility, financial implications and mechanics, and present it to the Policy and Strategy Committee and its next meeting, for its consideration and recommendation to the Board.
4. The issue of the Round 10 call for proposals provides an early opportunity for countries to begin transition to the new architecture. To this end, transition to single streams of funding per PR per disease will be possible on a voluntary basis. To facilitate this, the Board delegates authority to the Secretariat to make adjustments to the Round 10 proposal form and guidelines.
5. Commencing with Round 11:
- a. ~~all proposals submitted to the Global Fund shall require the applicant to present a consolidated request for funding incorporating current Global Fund support to the country for the disease, including health systems strengthening support. The consolidated proposal shall identify previously committed and approved funds included within the consolidated request;~~
 - a. the submission of consolidated requests for funding for cross-cutting HSS actions shall be introduced in a phased manner. The Board requests the Portfolio and Implementation Committee (“PIC”) to manage the introduction of consolidated proposals for cross-cutting HSS actions through its approval of the guidelines and proposal forms for future funding opportunities as delegated by the Board at its Sixteenth Meeting (GF/B16/DP15)
 - b. following the approval of a new proposal by the Board, any incremental grant funds for an existing PR shall be included in the PR’s existing Single Stream Agreement for that disease, rather than resulting in a new separate Grant Agreement; and

- c. the Secretariat shall present to the Board for approval, with respect to the proposals recommended for funding by the Technical Review Panel, the amount of the additional financial commitment covering the time remaining in the single stream's then-current commitment period. The revised Comprehensive Funding Policy, as presented in Annex 5 Version 2 to GF/B20/12 "Report of the Working Group on Managing the Tension between Demand and Supply in a Resource-Constrained Environment" shall be applicable to such approvals. All continuing financial commitments to a country's disease-fighting program shall be made in compliance with the Periodic Reviews and Commitments Policy attached as Annex 2a Version 2 to GF/B20/4 "Report of the Policy and Strategy Committee".

6. The Rolling Continuation Channel (RCC) procedure for grant application will be discontinued immediately. The Board requests the Secretariat to continue to process all RCC proposals that will be submitted in accordance with existing RCC policies contained in GF/B14/DP9 (Establishment of a Rolling Continuation Channel); GF/B14/DP10 (Technical Reviews for the Rolling Continuation Channel); GF/B15/DP18 (Duration of Grants Eligible for the Rolling Continuation Channel); GF/B15/DP 19 (Board Decision-Making Procedure for the Rolling Continuation Channel); and GF/B16/DP7 (Revision of the Rolling Continuation Channel for Strongly-performing Grants).

7. During the period in which the grant portfolio is transitioning to single streams of funding using the methods described in paragraph 1, all funding commitments for grants under the RCC and the Rounds-based Channel (Phase 2 Renewals, RCC proposals and RCC Renewals) and NSA grants, other than incremental requests for funding included in new proposals, shall be considered as "Additional Commitments" in paragraph 9 of the Comprehensive Funding Policy.

8. As soon as all of the grants for a particular disease in a country have the characteristics described in paragraph 1 above, the extensions to grant terms available under the Phase 2 Decision-Making Policies and Procedures (GF/B14/8, Annex 3b revision 2, as amended by GF/B15/DP48) and Decision GF/B14/DP27 will no longer be available for the grants for that disease in that country and paragraph 17 of the Periodic Reviews and Commitments Policy attached as Annex 2a Version 2 to GF/B20/4 "Report of the Policy and Strategy Committee", will apply.

9. In order to facilitate the implementation of this decision, if a CCM elects to consolidate an approved Round 8, Round 9, Round 10 and/or NSA grant with other existing grants for the same PR:

- a. as an exception to point 2 of the decision made at the 8th Board meeting entitled "Timeframes for Grant Agreements", a Single Stream Agreement must be signed not later than 18 months after Board approval of the funding of the proposal, failing which the Board's approval is no longer valid; and
- b. as an exception to Decision GF/B19/DP19 entitled "Flexibilities to Set Grant Start Dates", the Secretariat may set the start date for the commitment in the Single Stream Grant Agreement up to 24 months after Board approval.

The Board notes that the exceptions in paragraph a and b shall only be available if requested by a CCM in order to give CCMs and PRs the time necessary to consolidate grants and set start dates for alignment purposes.

10. The Board recognizes that the new grant architecture has the potential to further empower CCMs in their essential roles of developing programs and funding requests,

selecting Principal Recipients, and in overseeing implementation of programs funded by the Global Fund. The Board reaffirms the importance of the minimum eligibility criteria contained in the "Guidelines and Requirements for Country Coordinating Mechanisms." The Board further recognizes that the Portfolio and Implementation Committee (PIC) is currently overseeing a number of CCM strengthening initiatives being implemented by the Secretariat and will undertake a comprehensive revision of the "Guidelines and

Requirements for Country Coordinating Mechanisms," taking into account the architecture changes, in time for the second Board meeting in 2010.

11. The Board requests the Secretariat to revise the Terms of Reference of the Technical Review Panel, for approval by the Board, prior to the launching of Round 11 in order to give effect to this decision.

12. This decision revokes and replaces the Board's previous decisions on Rollout of Grant Consolidation (GF/B16/DP9).

The budgetary implications of this decision point in 2010 amount to USD\$ 306,000.

¹ If a Single Stream Agreement does not yet exist, the R11 grant negotiation process will result in a Single Stream Agreement.

POLICY AND STRATEGY COMMITTEE (PSC) PAPER ON MATERNAL NEW-BORN AND CHILD HEALTH AS PRESENTED TO THE PSC AT ITS 14TH MEETING ON 25-26TH OCTOBER 2010

GF/PSC14/05
For Recommendation

ENHANCING GLOBAL FUND SUPPORT TO MATERNAL, NEWBORN AND CHILD HEALTH

Purpose:

This paper presents potential options for the Global Fund to effectively channel new, additional financing to improve health outcomes for maternal, newborn and child health (MNCH), with a description of their implications in terms of Global Fund policies and operations.

It should be noted that this paper discusses options for the scope and range of Global Fund support to MNCH in different priority intervention areas for women and children. It does not however address the question of the mandate of the Global Fund in detail. This will be discussed at the meeting of the Policy and Strategy Committee.

EXECUTIVE SUMMARY

1. The Global Fund has made significant contributions to the health Millennium Development Goals (MDGs) through its investments in HIV, tuberculosis and malaria programs and health systems strengthening. Progress in achieving MDGs 4 and 5 has been uneven, with many countries off-track to achieve their targets.
2. The Twenty First Meeting of the Global Fund Board in April 2010 adopted a decision to support the scale-up of an integrated response that reinforces linkages of Global Fund investments with maternal, newborn and child health, and requested the Secretariat to review and elaborate options for enhancing Global Fund contributions to MNCH. Accelerating investments in MNCH is also at the forefront of the international development agenda.
3. This paper presents the Policy and Strategy Committee with options for the Global Fund to effectively channel new, additional financing for MNCH, and discusses the scope and range of Global Fund support in these areas. However the paper does not discuss the Global Fund mandate.
4. The following three options are presented in the paper:
 - **Option 1** considers the hosting of a new, dedicated initiative to channel funding for MNCH, building on the experience gained by the Global Fund with the AMFm. The main advantages include the distinct focus on MNCH with the possibility to support a dedicated range of interventions with earmarked funding. Challenges include the time and resources needed to establish a new initiative, the potential for confusion or overlap with the current portfolio, and the risk of reinforcing the lack of integration between disease-specific and MNCH programs.
 - **Option 2** considers the use of the Joint Health Systems Funding Platform to accelerate support for health systems strengthening for MNCH, leveraging the comparative advantage of different partners. Advantages include the benefits of providing comprehensive HSS support with greater harmonization and alignment. However the Platform is still in development and untested from the point of view of its implementation and grant management.
 - **Option 3** continues to accelerate investments in MNCH through existing Global Fund channels by optimizing synergies with the current portfolio. It is therefore mainstreamed and would require minimal modifications to the current model of grant management. However when keeping within the current mandate this option may be considered limited in its scope to support MNCH, and to potentially dilute funding for other activities. Yet, if scope of MNCH activities was to be enhanced this could be well incorporated into this model with modifications to eligible service areas and indicators.
5. The three options also have implications for eligibility and prioritization criteria, and would potentially require an enhanced screening, technical review and CCM capacity. In terms of resource mobilization, the choice of modality should be driven by the scale of funding to render it cost-effective, as well as the choice of interventions with clear definition of targets. Partnerships will also need to be enhanced for normative guidance and country support. The development of the options will also have cost implications for the Secretariat. These are currently being analyzed.

1. BACKGROUND

1.1 HIV, tuberculosis and malaria heavily impact women and children. Progress towards Millennium Development Goals (MDGs) 4 (reducing child mortality) and 5 (improving maternal health) will depend on achievements in MDG 6 (combating HIV, malaria and other diseases) particularly in countries with generalized HIV epidemics and endemic malaria.

1.2 The Global Fund has made significant contributions to improving the health of women and children through its investments in programs addressing the three diseases and by strengthening health systems. (Annex 1) Around 44-54 percent of Global Fund investments benefit women and children. The Global Fund is committed to intensifying its contributions to maternal, newborn and child health (MNCH) to accelerate progress towards the health MDGs.

1.3 To achieve this objective, the 21st meeting of the Global Fund Board in April 2010 adopted a decision to encourage *"... CCMs to identify opportunities to scale up an integrated health response that includes MCH in their applications for HIV/AIDS, TB, malaria and HSS"* and requested *"... the Secretariat to review and elaborate potential options and their implications for enhancing the contributions of the Global Fund to MCH, recognizing the urgent need for additional and sufficient financing for MCH as well as AIDS, tuberculosis and malaria, and exploring how this will impact on existing Global Fund policies, partnerships, resource mobilization, procedures and operations, including CCMs, TRP and staffing at the secretariat."*¹

1.4 Accelerating investments to achieve MNCH goals is also at the forefront of the international development agenda. Progress towards MDGs 4 and 5 has been uneven, and many countries are off-track the targets set for these goals.² In 2009, the global Partnership for Maternal, Newborn and Child Health agreed on urgent actions necessary to advance maternal and child health goals, including political leadership and community mobilization; effective health systems to deliver a package of high-impact interventions; removal of financial barriers to access; and accountability.

1.5 In June 2010, leaders of the G8 committed to mobilize USD 5 billion of additional funding for the Muskoka Initiative, which aims through comprehensive and integrated approaches to significantly reduce the number of maternal, newborn and under five child deaths in developing countries³ and thereby accelerate progress towards MDGs 4 and 5. In April 2010, the United Nations Secretary General launched the Joint Action Plan for Women's and Children's Health, estimating that among the 49 lowest-income countries in the world alone, the overall funding gap for achieving the health MDGs ranged from US\$26 billion per year in 2011 (US\$19 per capita) to US\$42 billion in 2015 (US\$27 per capita) as countries continue to scale up their programs; with nearly half of these costs related to reproductive, maternal and child health.⁴

¹ Global Fund Board, Decision Point GF/B21/DP20. Although the Decision Point refers to Maternal and Child Health (MCH), this paper applies the term 'Maternal, Newborn and Child Health' or MNCH in order to ensure a fully comprehensive approach across the continuum of pregnancy, childbirth and child care. The complete text of the Decision Point is provided in Annex 3.

² *Countdown to 2015 for Maternal, Newborn and Child survival: Decade Report 2000-2010*.

³ Final communique from the Canada G8 summit: <http://g8.gc.ca/g8-summit/summit-documents/g8-muskoka-declaration-recovery-and-new-beginnings>

⁴ United Nations Secretary General's Joint Action Plan for Women's and Children's Health, 2010. <http://www.who.int/pmnch/activities/jointactionplan/en/index.html>

1.6 The 15th African Union Summit held in July 2010 also declared MNCH as an urgent priority for the region, and *"Call(ed) on the Global Fund for Fight against HIV/AIDS, Malaria and TB to create a new window to fund maternal, Newborn and Child Health. In this context, we appeal to development partners and donors for the replenishment of the Global Fund during its October 2010 meeting and to ensure that the new pledges are earmarked for Maternal Newborn and Child Health. We also appeal for equitable access to the Global Fund resources for all African Union Member States."* Consultations with maternal health stakeholders have also expressed their support for enhanced contributions to MNCH through the Global Fund.⁵ Maternal and child health was the focus of the UN High-Level Meeting on MDGs in September 2010.

1.7 The Global Fund, which emphasizes equity and fosters country ownership, performance-based funding and community participation, is well-placed to support interventions to promote maternal health by building on synergies with existing HIV, tuberculosis and malaria investments that benefit women and children; thereby helping to accelerate progress towards MDGs 4 and 5.

1.8 In addition to these investments, a number of new initiatives are underway to further improve health outcomes for women and children, including the implementation of a gender equality strategy, and reprogramming of HIV grants in the 20 countries with high-burden of HIV in women to scale up comprehensive PMTCT interventions. The Global Fund is also developing with GAVI, the World Bank and WHO the Joint Health Systems Funding Platform to better coordinate and channel large amount of finances to countries to accelerate progress towards health MDGs. It hosts the Affordable Medicines Facility for malaria (AMFm) to rapidly roll out artemisinin-based combination treatments.

Objective of the paper

1.9 This paper presents to the Policy and Strategy Committee and the Board potential options for the Global Fund to effectively channel new, additional financing to improve health outcomes for MNCH. Three options that can leverage the Global Fund business model for channeling new additional funding for MNCH are considered:

Option 1: Host a new, dedicated funding initiative to invest in MNCH

Option 2: Use the Joint Health Systems Funding Platform (under development) to invest in MNCH

Option 3: Continue to accelerate investments in MNCH through existing Global Fund channels.

For each option, the paper discusses the rationale and the implications of the funding modality on Global Fund policies and processes, with advantages and challenges, and the broad implications for Global Fund governance structures, resource mobilization and partnerships.

MNCH funding needs and gaps, and scope of current and future Global Fund investments

1.10 In 2009, at the United Nations High Level event on "Healthy Women, Healthy Children: Investing in Our Common Future", the international community agreed to a Consensus for

⁵ Side-meeting held during Global Maternal Health Conference held in New Delhi, 30 August - 2 September 2010. Discussions have also been held with Health Systems Funding Platform partners about linking MNCH to health systems strengthening.

Maternal, Newborn and Child Health with priority actions to accelerate the achievement of MDGs 4 and 5 by 2015⁶ through:

- a. Political leadership and community engagement and mobilization
- b. Effective health systems to deliver a package of high-quality interventions in key areas:
 - Comprehensive family planning
 - Skilled care for women and newborns during and after pregnancy and childbirth
 - Safe abortion services where abortion is legal
 - Improved child nutrition; prevention and treatment of major childhood illnesses
- c. Removal of barriers to access and free service provision at the point of care
- d. Skilled and motivated health workers
- e. Accountability for credible results

1.11 The following intervention areas in MNCH have been identified as urgent priorities by the United Nations Secretary General's Joint Action Plan for Women's and Child Health 2010: quality skilled care (routine and emergency) for women and newborns during and after pregnancy and childbirth (routine as well as emergency care), improved child nutrition and prevention and treatment of major childhood diseases including diarrhoea and pneumonia; safe abortion services; comprehensive family planning; and integrated care for HIV/AIDs (i.e. PMTCT), malaria, and other services.⁷

1.12 Table 1 below shows the scope of MNCH-related interventions currently supported by the Global Fund, interventions already funded by partner agencies, and interventions that could be supported in future through Global Fund if additional funds were available.

1.13 The current Global Fund portfolio (**Column 1**) includes a wide range of high-impact HIV, tuberculosis and malaria interventions for women and children which span across the continuum of pre-pregnancy, pregnancy, child birth and child care. The Global Fund is also providing substantial support to strengthen health and community systems in the context of the response to the three diseases. This support in many countries benefits also MNCH programs.

1.14 A number of additional priority interventions for women and children, such as immunization, water and sanitation and integrated management of childhood illness, are supported by partner agencies, such as UNICEF, GAVI and UNFPA (**Column 2**).

1.15 In addition to these interventions described in Column 2, there are opportunities in the Global Fund portfolio to accelerate the scale-up of MNCH and broader sexual and reproductive health interventions if new funding becomes available (**Column 3**), by strengthening linkages of these with current investments thereby contributing further to the achievement of MDGs 4 and 5. These include an **enhanced service delivery package for MNCH that includes antenatal care, essential obstetric and post-natal care, family planning, nutritional support for women and children, and sexual health promotion**. The Global Fund is particularly well-placed to support interventions to promote maternal health by building on synergies with existing HIV, tuberculosis and malaria investments targeting women and children; thereby

⁶ *Consensus for Maternal, Newborn and Child Health*, launched at "Healthy Women, Healthy Children: Investing in our Common Future", United Nations, September 2009.

⁷ United Nations Secretary General's Joint Action Plan for Women's and Children's Health, 2010.
<http://www.who.int/pmnch/activities/jointactionplan/en/index.html>

helping to accelerate progress towards MDG5. Similarly, current investments by other partners such as GAVI offer opportunities to scale up interventions to improve child health towards achieving MDG4

Table 1: Current and potential scope of Global Fund contributions to MNCH

	Current Global Fund investments	Other investments supported by partner agencies that impact on MNCH	Interventions that could be supported with new funding
Maternal and neonatal health (I)	<ul style="list-style-type: none"> -Antenatal care for HIV, TB, malaria (HIV testing, TB screening, malaria prevention in pregnancy) -PMTCT (including early infant diagnosis of HIV, infant feeding support for HIV+ women) -HIV treatment & care for HIV+ women (ART, Ols, TB/HIV), nutrition for HIV+ women -Malaria prevention (ITNs, IPT, IRS), diagnosis, treatment -TB screening, treatment 	<ul style="list-style-type: none"> -Immunization -Safe water and sanitation 	<ul style="list-style-type: none"> -Antenatal care, beyond HIV, TB, malaria -Skilled birth attendance -Essential postnatal care -Emergency care for mothers and newborns -Infant feeding support beyond HIV+ women -Nutrition (iron, folic acid) beyond HIV+ women
Child health (II)	<ul style="list-style-type: none"> -HIV treatment & care for children (ART, CTX) -Nutritional and psychosocial support for AIDS orphans and vulnerable children -Malaria prevention (ITNs, IPT, IRS) -Malaria diagnosis and treatment 	<ul style="list-style-type: none"> -Management of childhood illness (e.g. pneumonia, sepsis, diarrhoea..), - Immunization - Safe water and sanitation 	<ul style="list-style-type: none"> -Nutrition (e.g. vitamin A, zinc, other micronutrients) beyond HIV programs -Oral rehydration supplements
Sexual and reproductive health (III)	<ul style="list-style-type: none"> -Sexual health promotion (e.g. IEC, BCC) -Family planning * -STI prevention & management -Male circumcision for HIV prevention -Male partner involvement in reproductive health -Prevention of gender-based violence PEP (incl. for victims of sexual violence) 	<ul style="list-style-type: none"> -Management of key related gynecological morbidities - Fertility treatments 	<ul style="list-style-type: none"> -Sexual health promotion beyond current portfolio -Family planning *
Health and community systems strengthening (IV)			
	<ul style="list-style-type: none"> -Health workers – expansion and training -Integrated service delivery to maximize synergies -Social support for women and children (e.g. income-generating activities, education, legal services.etc.) 	<ul style="list-style-type: none"> -Health financing (e.g. community insurance) -Creating an enabling policy environment 	<ul style="list-style-type: none"> -Health care infrastructure -Building capacity to generate evidence -Community engagement and mobilization

*Defined by WHO as follows: Family planning allows individuals and couples to anticipate and attain their desired number of children and the spacing and timing of their births. It is achieved through use of contraceptive methods and the treatment of involuntary infertility.

2. DISCUSSION: Options for enhancing Global Fund contributions to MNCH

2.1 This section describes the three options to the Global Fund to channel funding to countries to improve maternal and child health. For each option, implications for the Global Fund are considered in terms of their rationale, policies and principles, and procedures and operations. The options could be implemented as “hybrids” in terms of their scope, timeline for implementation, and operations. The possibilities for hybrids, as well as common considerations in terms of eligibility, country coordination, resource mobilization and partnerships, are also discussed.

Option 1: Host a Dedicated Initiative to Invest in MNCH

2.2 *Modality:* This option considers the development of a dedicated initiative to channel funding for MNCH that would be hosted and managed by the Global Fund, separate from the existing Rounds-based system. The Global Fund has experience of utilizing such a mechanism. It hosts and manages the Affordable Medicines Facility for Malaria (AMFm), which is structurally

embedded into the Global Fund Secretariat and whose operations are integrated with routine grant management systems (Box 1). The Global Fund could draw on this experience to host and manage, with support from partners, a dedicated initiative for channeling new financing targeted to MNCH interventions. The scope of such a hosted initiative could cover a wider set of priority interventions for women and children, as described in Column 3 of Table 1, in line with international guidance and current gaps in MNCH support. However it should be noted that AMFm as a malaria-specific initiative is fully integrated into the Global Fund's current disease grants; on the other hand, a dedicated initiative for comprehensive MNCH support would require some modifications to the current model, such as specific MNCH grants.

2.3 *Rationale:* Utilizing its experience with the AMFm, the Global Fund could develop a new business line for earmarked MNCH funding by leveraging the existing grant management structures for speed, simplicity and efficiency with the flexibility to vary the scope and speed of MNCH funding.

Box 1: *The AMFm Initiative*

- The AMFm is a global subsidy of artemisinin-combination therapies (ACTs) with supportive measures, that aims to reduce malaria mortality and delay resistance to artemisinin. The design of the AMFm was developed with guidance from the RBM Partnership's AMFm Task Force. In agreeing to host and manage the AMFm, the Global Fund created a new line of business comprising two elements:(i) Providing co-payments to reduce the price of ACTs and (ii) Supporting interventions to roll-out of AMFm in-country
- The AMFm is managed by a Unit within the Secretariat. The US\$216 million co-payment funding from UNITAID, the Gates Foundation and the UK DFID is held and administered separately from the Global Fund general account, but uses Secretariat structures such as the Trustee, Finance and IT systems to invest this sum.
- For simplicity and to leverage existing mechanisms, the supporting interventions are principally funded through grant reprogramming and are administered through existing malaria grants and managed by Country Programs. Performance Based Funding principles apply, as with all Global Fund grants.
- In order to participate in the AMFm, implementing countries applied using a dedicated application form with appropriate guidelines. The review process was managed by the Country Proposals team, ran to the same timelines as Round 9, and included a TRP review of applications and Board approval of recommendations.

Implications for the Global Fund

2.4 *Policies and Principles:* The development of the new hosted mechanism for MNCH would have to align with the Comprehensive Funding Policy in the case of MNCH resource mobilization and separate Trust Fund arrangements as well as with the Policy on Restricted Financial Contributions. A temporary exemption would be necessary if a separate account was established for MNCH resources. In implementation, performance-based funding principles and existing monitoring and evaluation arrangements would be followed. This would be straightforward in the case of specific MNCH grants. Further, a separate 'MNCH' policy to support the scale-up of MNCH activities would need to be drawn up and approved, and aligned with other, relevant policies of the Global Fund.

2.5. *Access to funding for implementing countries:* Specific proposal forms and guidelines would need to be developed to channel MNCH funding through a dedicated initiative; alternatively Round 11 forms currently being developed could be enhanced to include MNCH support. The timing of the MNCH call for proposals may or may not be aligned with the regular Global Fund call for proposals. While the AMFm initiative was restricted to a relatively small number of countries, the facility for MNCH could be extended to all Global Fund eligible countries.

2.6 *Grant management:* The new funding mechanism or modality and the MNCH grants financed through this initiative would need to align with existing grant architecture and operational systems in order to minimize transaction costs and risks. If funding for MNCH would be earmarked and its scope of funding would cover comprehensive MNCH support as described in Column 3 of Table 1 (i.e. support beyond HIV, tuberculosis and Malaria-specific interventions), the Board may need to consider a new category of MNCH grants.

2.7 *Timeframe for roll-out:* Based on prior experience and assuming new funds are available, the timeframe to develop and launch a new dedicated initiative is estimated to be 12 months, but this will depend on the size and structure of the new mechanism.

Option 2: Use the Global Fund-GAVI-WB-WHO Joint Health Systems Funding and Programming Platform to Invest in MNCH

2.8 *Modality:* This option draws on the joint platform for Health Systems Funding and Programming (HSFP Platform) developed by GAVI, Global Fund, World Bank and WHO (Box 2).

Box 2: Current experience with HSS platform

Since 2009, the Global Fund has been working with partner agencies (WHO, World Bank and GAVI) to develop a joint funding platform to improve the effectiveness of current and new investments to strengthen health systems through:

- (i) Harmonization and alignment of existing investments
- (ii) Development of a new funding platform through a unified proposal form or based on joint assessment of national health plans.

The current formulation of the HSFP Platform acknowledges that HSS activities should ultimately benefit MDGs 4, 5 and 6. Global Fund funding approved through the HSS platform will benefit from greater harmonization and alignment with funding from other donors.

2.9 *Rationale:* Strengthening health systems, in particular expanding the health workforce to provide core services such as skilled birth attendance, is a priority to improve MNCH outcomes. The HSFP provides an opportunity to build on an ongoing collaboration with partners to develop a joint platform for Health Systems Funding and Programming which from the outset recognizes the need to benefit MDGs 4-5 and 6 to operationalize HSS support for MNCH. Within this context, the scope of Global Fund's HSS support for MNCH may either continue to be linked to improving outcomes for the three diseases, or may potentially be linked to improving maternal and child health outcomes overall.

Implications for the Global Fund

2.10 *Policies and Principles:* The HSFP Platform is being developed and can accommodate the expanded scope of HSS to improve MNCH outcomes using performance-based funding principles. The changes to HSS funding policies being considered by the PSC in October 2010 will facilitate the successful implementation of this option for MNCH by allowing for more optimal management of HSS cross-cutting proposals and grants under the new architecture.

2.11 *Access to Funding for implementing countries:* In order to operationalize the Platform, a unified proposal form and guidelines are being developed for endorsement by the Global Fund Board Committees and by GAVI. The timing of the call for proposals may be aligned with the regular Global Fund call for proposals. Mechanisms for financing of national health plans are also being finalized with partners. National health plans could include HSS activities aimed at improving MNCH outcomes.

2.12 *Grant management:* The separate window for HSS grants should enable all HSS activities to be consolidated as a single stream with other HSS funding in country depending on the Principal Recipient, in line with the new grant architecture.

2.13 Performance frameworks would need to include specific indicators measuring success of HSS toward coverage, outcome and impact of MNCH and would ideally be harmonized with GAVI and the World Bank. Financial management arrangements would also be harmonized to the maximum extent possible. The partners in the platform have made significant progress in the identification of areas of reducing the burden of multiple donor requirements on countries.

2.14 *Timeframe for roll-out:* The development of the Health Systems Funding Platform is ongoing in collaboration with partners and will gain momentum in 2011. The Platform is implemented in an incremental manner.⁸ A pilot to enable a limited number of countries to request HSS funding based on a jointly assessed national health strategy is expected to be rolled out in late 2011, with countries applying for funding by August 2011 followed by approval by the Board. In addition, a joint proposal form is expected to be endorsed by the Portfolio and Implementation Committee by March 2011. This incremental timeframe would potentially be a challenge for the needs of the enhanced MNCH support.

Option3: Continue to Accelerate Investments in MNCH through Existing Channels of Funding

2.15 *Modality:* The third option continues the acceleration of HIV, tuberculosis, malaria and health systems strengthening investments in improving the health of women and children through the use of existing Rounds-based channels of funding.

2.16 *Rationale:* Global Fund grants have used innovative approaches to create synergies among HIV, tuberculosis and malaria investments and MNCH to improve health outcomes for women and children. In April 2010, the Board explicitly encouraged countries to scale up MNCH in their Round 10 applications within the context of the current mandate. The Global Fund can actively and more explicitly generate demand and accelerate progress towards MDGs 4 and 5 using existing channels. An expanded scope of MNCH activities could be implemented through this modality as well, following the model of the cross-cutting HSS activities. This could provide a dedicated annex for all MNCH (and HIV, tuberculosis and malaria) activities implemented as part of a MNCH program and principal recipient. This would allow dedicated resource tracking,

⁸ see GF/B21/DP5 - Health Systems Funding Platform

implemented supported activities as part of a comprehensive approach, but with strong synergies to existing grants.

Implications for the Global Fund

2.17 *Policies and Principles:* Support for MNCH under this option and within the current scope would be aligned with existing policies and principles of the Global Fund's current model and portfolio, and would not require significant changes to existing structures.

2.18 *Access to funding for implementing countries:* The proposal forms and guidelines of the Rounds-based funding channels and the second wave of National Strategy Applications (NSA) would be used. Guidance materials would encourage applicants to include MNCH in their proposal if relevant to their country contexts and needs, including in a separate HSS cross-cutting section. Specific sections on MNCH in different parts of the proposal form could be included, and an MNCH cross-cutting section if appropriate. Additional guidance would be provided in the guidelines on what the Global Fund can or cannot fund as it relates to MNCH.

2.19 Following a decision by the Board in 2009, the Global Fund is also undertaking an initiative focusing on the scale-up of PMTCT within the context of existing grants. Integrating MNCH into PMTCT reprogramming for beneficiary countries would ensure their alignment with the new grant architecture of the Global Fund.

2.20 *Grant management:* The current Global Fund model of grant agreements and commitments for HIV, tuberculosis, malaria and health systems strengthening would continue to apply under this Option, with single-stream funding per Principal Recipient per disease developed in line with the new architecture. As currently defined, overall program goals would be linked to the three diseases. The Performance Frameworks would include additional indicators, baselines and targets related to MNCH, or additional disaggregation by sex and by age to track MNCH results. Service delivery areas related to MNCH would need to be created to provide clarity on areas for investment and for expenditure tracking. The process for reviewing grant and program performance and impact would remain unchanged.

2.21 *Timeframe for roll-out:* Support for MNCH through existing channels can be reinforced in Round 11, accompanied by guidelines and collaboration with partners for enhanced technical assistance.

Advantages and challenges of the three options

2.22 The three options present different opportunities and challenges in terms of their scope, speed, flexibility and appeal to implementing partners. These are discussed below.

2.23 Hosting a new, dedicated funding initiative for MNCH (Option 1) would enable the Global Fund to expand the scope of its contributions to MNCH to cover a dedicated range of interventions. A distinct initiative to focus on MNCH would also enable the earmarking of funds for MNCH. The current grant financing mechanism can be readily used to scale up MNCH activities, with some adjustments to the current model. However, consideration should be given to the timeframe and resources needed to establish and operationalize a new modality. A separate mechanism also carries the risk of creating fragmentation and duplication between activities covered through disease-specific grants and MNCH grants, leading to further complexity for countries in understanding the scope of funding through the Rounds-based system as opposed to the new and separate modality.

2.24 The Joint Health Systems Funding Platform (Option 2) would provide the opportunity to address major health systems weaknesses which have been recognized as a major bottleneck to achieving progress towards MDGs 4 and 5. The Platform is being designed to cover system strengthening needs for the health MDGs as a whole, and allows for this support to be enhanced in a coordinated and holistic manner in relation to country needs and in collaboration with partners. Implementing countries may also find it easier to define comprehensive health system needs in relation to their health sector strategies, rather than for separate disease-specific HSS activities. However the scope of Global Fund support for MNCH activities under this Option would be contingent on the scope of HSS activities funded through Platform as agreed with partners. Further, the HSFP is a new, untested initiative, which may make it a less attractive option for some implementing countries. The final outcome of the discussions with partners regarding the scope of HSS and the formulation of the HSFP platform will determine the speed with which this option can be implemented. Given the urgency towards the final countdown of MDGs to 2015, this option may not be the most optimal in the immediate term.

2.25 The third Option is already being implemented through existing investments. Implementation of this Option offers ease in terms of Global Fund grant operations as it can be treated as a separate or integrated MNCH component in disease grants (as currently the case of HSS), and would only require the addition of MNCH-specific indicators in the Performance Frameworks. Further, accelerated support for MNCH through this Option would encourage further optimization of linkages between HIV, tuberculosis and malaria programs with MNCH and primary care. However, as funding for MNCH would most likely not be earmarked in this option. As currently defined, the scope of Global Fund support for MNCH under this Option would remain within the current mandate of HIV, tuberculosis and malaria interventions, thus excluding MNCH interventions that are not linked to the three diseases, making a less comprehensive and attractive to the MNCH community. An enhanced focus on MNCH also carries the risk of dilution of funding for other activities within the current mandate.

Considerations that are Common to All Options: Eligibility, Country Coordination, Resource Mobilization and Partnerships

2.26 The three option, in particular Options 1 and 2, include some common considerations in terms of eligibility and prioritization criteria for funding, screening and technical review of proposals, country coordination, resource mobilization and partnerships. These are discussed jointly below.

2.27 **Eligibility and prioritization criteria:** The Global Fund eligibility policy, currently under review for Board decision at its 22nd meeting in December 2010, may need to be reviewed in relation to enhanced support for MNCH, such as criteria related to maternal and child health status (under Option 1) or criteria related to health systems strengthening defined in collaboration with partners (under Option 2). Similarly, the Global Fund prioritization model is also currently under review with the eligibility policy for Board approval in December 2010. These would also need to be reviewed in relation to MNCH.

2.28 **Screening and technical review:** Procedures for screening proposals submitted to the Global Fund may need to be enhanced in relation to any new requirements related to MNCH funding. For technical review, the Technical Review Panel would need to be enhanced with MNCH expertise. Current or former TRP members with adequate MNCH expertise could be part of this enhanced TRP to build on existing experience and good practice, with some recruitment

of new MNCH experts. In the case of Option 2, experts in HSS and MNCH would need to be recruited jointly with GAVI, World Bank and WHO.

2.29 Country Coordinating Mechanisms: Guidance on expanding the composition of the current CCMs would need to be developed in order to ensure the representation of MNCH stakeholders in CCMs for purposes of capacity and coordination with other relevant national bodies involved in both MNCH and HSS. Additionally, under Option 2, the processes defined for joint applications and for national health strategy assessments will necessitate an adapted approach to screening for CCM eligibility. Similarly, CCM membership and knowledge may need to be developed to ensure capacity for decision making and oversight in relation to MNCH.

2.30 Resource mobilization: The current interest in accelerating investments to achieve MNCH goals offers opportunities and challenges for resource mobilization in relation to the current financial context in key donor countries and the lack of coordination among the respective advocacy communities focusing on disease-specific approaches and MNCH. The choice of operating modality for the Global Fund to enhance its support for MNCH should be driven by the ability to affect significant change on the ground and not by considerations concerning potential resource mobilization efforts. It is important to keep in mind that any successful resource mobilization effort over the long term ultimately depends on the quality of the interventions being funded and the ability to report on measurable results.

2.31 From the perspective of resource mobilization, a proposal for a dedicated initiative should address the following considerations:

(a) The scale of funding should be sufficient to render it cost-effective for the timely achievement of well-defined maternal and child health goals. Funding targets should be set with a *defined floor* that would make a separate initiative cost-effective, and *two or three resource scenarios* with a rough outline of key results that could be achieved within set timelines under each scenario. Further, *the choice of interventions and the clear definition of targets for results* is crucial for the success of resource mobilization efforts, with clear, credible and timely reporting of results.

(b) A plan should be implemented to systematically engage existing and potential donors, beginning with specific fundraising efforts for MNCH as soon as feasible after the Board has determined how it would wish to move forward. It would be necessary to identify partners for advocacy amongst civil society organizations, public and political figures and multilateral agencies and develop the core elements of a campaign; strategically deliver a set of clear messages through an effective media communications campaign; and develop a set of dedicated and innovative public and private sector financing tools.

(c) Any initiative should be structured in a way that addresses the perception of cannibalization between programs for MNCH and for HIV, tuberculosis and malaria. If funding for MNCH is earmarked, this would require mechanisms to ensure that funding specifically dedicated to the MNCH component would not be available to fund the HIV, tuberculosis and malaria components and vice versa.

(d) There should be agreement with donors on the boundaries for acceptable attribution of results across funding sources. In particular, the terms should be determined in advance for the legitimacy of dual attribution, which some donors may find attractive.

2.32 A separate initiative for MNCH (Option 1) provides the greatest potential for additional funding through an expanded donor base of public and private sector donors, and also opens the opportunity for the development of innovative financing mechanisms in collaboration with other multilateral partners (like UNICEF), and the Private Sector, e.g. through a new RED product line. Continuing to accelerate investments in MCH through existing Global Fund channels (Option 3) poses the least challenges for resource mobilization efforts, as they could be incorporated within existing mechanisms with some adjustments. This option, however, has limited potential for generating new resources.

2.33 The HSFP (Option 2) is likely to provide the most difficulties in terms of resource mobilization. Some donors may find the pooling of expertise and approaches synergistic, while others may consider health systems strengthening a better foundation for sustained MNCH outcomes. But the difficulty in tracking and attribution of MNCH results to specific funding lines, some of which will be applied to indirect interventions, may make it less attractive politically in the current resource-constrained environment. For the Global Fund, making projections or producing reports for donors which unambiguously link investments to results, would pose a challenge. In addition, the likely slower speed of implementation within the relatively untested HSFP initiative may not match the sense of urgency driving the acceleration of investments to achieve MNCH goals.

2.34 Resource mobilization and funding would be governed by the Comprehensive Funding Policy (currently under review) and the Policy on Restricted Financial Contributions. The size of the funding 'pool' for MNCH will also need to be taken into account in defining the scope of funding and eligibility requirements. Financial commitments would only be entered into if sufficient assets (as defined in the Comprehensive Funding Policy) were available to meet the full amount of such a commitment.

2.35 **Partnerships:** Enhancing Global Fund support to MNCH will require expanding partnership arrangements with current partners, but also building new partnerships with organizations at the global, regional and country levels working on women's and children's health, such as the Partnership for Maternal, Newborn and Child Health (PNMNCH). The scope of the partnership would include technical assistance to implementing countries, as well as technical guidance on the development of the modalities and M&E tools. Roles of current and new Principal Recipients, LFAs as well as national level stakeholders - including government, civil society and potentially private sector - would need to be considered.

2.36 The Global Fund would also envisage a revision of its Partnership Strategy to include support for additional MNCH activities. Internationally, efforts would be required to engage MNCH networks, advocated and technical specialists, which are for the most part distinct from those in the HIV, tuberculosis and malaria fields. It would also be necessary to establish more integrated approaches with country-level partners across key cross-cutting issues such as health systems strengthening, community systems strengthening, grant management, oversight responsibilities as well as Global Fund participation in country-level donor coordination mechanisms for health and development.

"Hybrid" implementation of the three options

2.37 The three options described above may be implemented as hybrids in terms of their scope, timeline and operations. A key consideration would be to find the right balance

between speed towards achieving immediate gains in the short-term; and building capacity for a sustainable response over the long-term.

2.38 One such hybrid solution could be a modality that combines the advantages of a dedicated initiative (Option 1), and the HSFP (Option 2). A separate funding stream for MNCH commodities could be established similar to the co-financing mechanism for ACTs under the AMFm facility. Given the Global Fund's experience in negotiating prices, such a funding stream could be initiated relatively quickly, particularly for countries with high maternal mortality ratio combined with a high unmet need for family planning to scale up access to contraceptives. This could be combined with the development of the HSFP (Option 2) to build long-term systems capacity. However the disadvantages of such a hybrid would be the fragmentation of MNCH funding requests and grants and complexity of implementation.

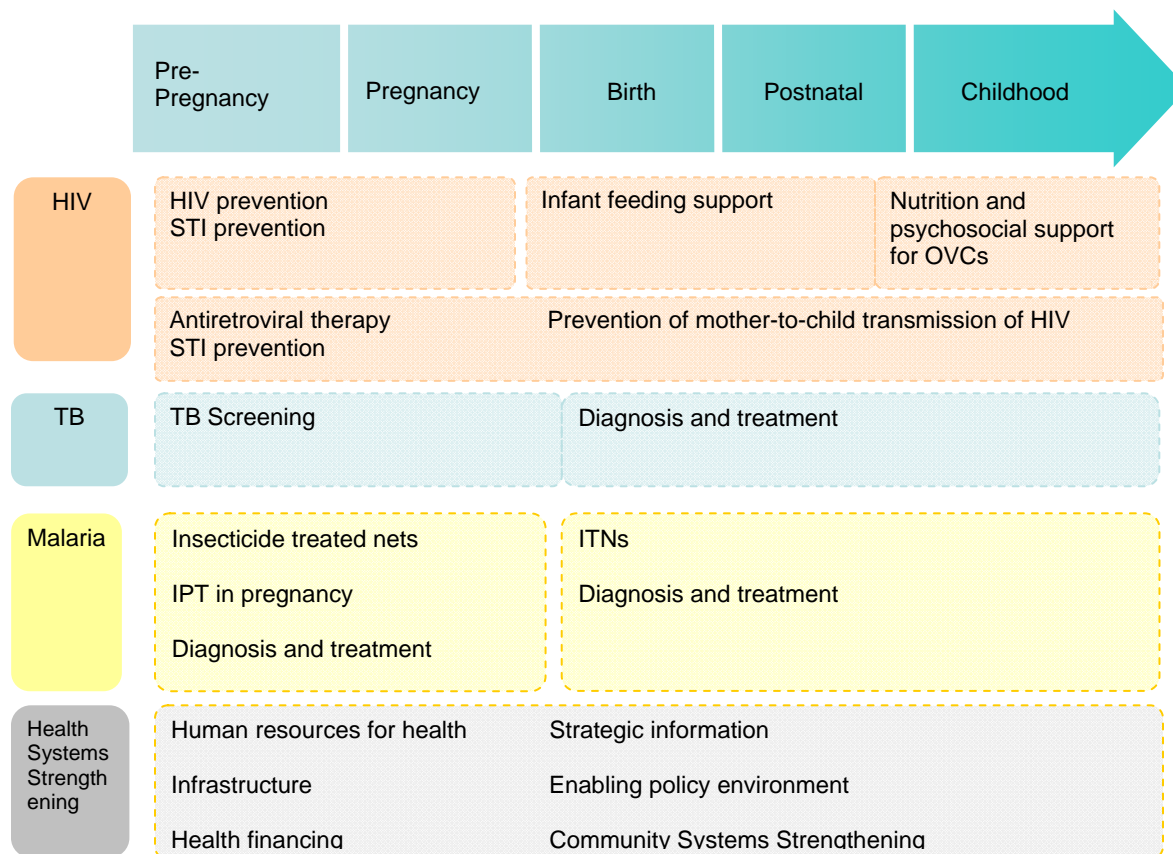
2.39 Another hybrid option could be to scale up support for women and children through the current portfolio in Round 11 (Option 3), while continuing to develop a more comprehensive and long-term funding modality through a dedicated initiative (Option 1) and/or the HSFP (Option 2). Furthermore a dedicated annex for all MNCH (and HIV, tuberculosis and malaria) activities implemented as part of a MNCH programs could be created in Option 3. This would allow dedicated resource tracking and the possibility in the future to include more comprehensive activities in Option 3.

3. RESOURCE CONSIDERATIONS

3.1 Enhancing Global Fund support to MNCH would have resource implications for the Secretariat. In particular, Options 1 and 2 are expected to lead to similar cost increases as both these options would be expected to lead to a significant increase in demand for funding and active grants. The detailed resource requirements in terms of staffing and operating costs for other activities are currently being analyzed.

HIV, TUBERCULOSIS AND MALARIA INTERVENTIONS THROUGH WHICH THE GLOBAL FUND CONTRIBUTES TO MATERNAL, NEWBORN AND CHILD HEALTH OUTCOMES

Figure 1: Global Fund support across the continuum of pre-pregnancy, pregnancy, birth and child care



KEY DEFINITIONS IN MATERNAL, CHILD, SEXUAL AND REPRODUCTIVE HEALTH

Maternal and newborn health consists of “routine antenatal and delivery care by trained professionals; care for complications that arise during pregnancy and delivery (including emergency obstetric and newborn care as well as care for abortion complications); and timely postpartum care for mothers and newborns”.⁹

Child health refers to care during infancy and childhood. Essential intervention packages for improving child health include management of diarrhea, pneumonia, malaria and malnutrition; essential immunizations; management of severe infant and child illnesses; and care for HIV-exposed and HIV-infected children.¹⁰

Reproductive health means “people are able to have a satisfying and safe sex life and that they have the capability to reproduce and the freedom to decide if, when and how often to do so. Implicit in this last condition are the right of men and women to be informed and to have access to safe, effective, affordable and acceptable methods of family planning of their choice, as well as other methods of their choice for regulation of fertility which are not against the law, and the right of access to appropriate health-care services that will enable women to go safely through pregnancy and childbirth and provide couples with the best chance of having a healthy infant”.¹¹

Sexual health is “a state of physical, emotional, mental, and social wellbeing in relation to sexuality; it is not merely the absence of disease, dysfunction, or infirmity. Sexual health needs a positive and respectful approach to sexuality and sexual relationships, and the possibility of having pleasurable and safe sexual experiences that are free of coercion, discrimination, and violence”.¹²

Sexual health and reproductive health overlap and, in addition to supporting normal physiological functions such as pregnancy and childbirth, aim to reduce adverse outcomes of sexual activity and reproduction.

⁹ *Adding it up: The costs and benefits of investing in family planning and maternal and newborn health*. UNFPA, 2010.

¹⁰ *Managing programmes to improve child health*. WHO, 2009.

¹¹ Glasier A et al. Sexual and reproductive health: a matter of life and death. *The Lancet Sexual and Reproductive Health series*, October 2006.

¹² Glasier A et al. op. cit.



Twenty-First Board Meeting
Geneva, Switzerland 28-30 April 2010

Exploring options for optimizing synergies with maternal and child health

Decision Point GF/B21/DP20:

The Global Fund Board recognizes that the health-related Millennium Development Goals are interlinked. Achieving MDG 6 (combating HIV, malaria and TB and other diseases), MDG 4 (reducing child mortality) and MDG 5 (improving maternal health) can only be approached in an integrated manner and the success of one MDG depends on progress on all others.

The Board acknowledges that HIV, tuberculosis and malaria place a heavy burden on the health of women and children. In sub-Saharan Africa, HIV is responsible for 46 per cent of all deaths among women of reproductive age. HIV, TB and malaria are among the most common indirect causes of maternal deaths. All three diseases heavily impact on the health of children: Children account for more than 80 per cent of malaria, and over 2 million children are living with HIV, 90 per cent of them living in sub-Saharan Africa.

The Board notes the efforts of a broad range of partners who are working to accelerate action and to scale up integrated services, and especially applauds the efforts of MCH advocates, who have been tireless in their efforts to improve the health and save the lives of women and children.

The Board is encouraged by the contributions of the Global Fund in financing country-led programs that improve maternal and child health, including scaling up PMTCT services, malaria prevention and treatment, anti-retroviral therapy, integration of sexual and reproductive health services with HIV/AIDS programmes and support for children orphaned by HIV/AIDS. The Global Fund investments are also strengthening health and community systems, and supporting a range of interventions to promote gender equality and equity, as articulated in the Gender Equality Strategy (Decision Point GF/B18/DP18).

The Board supports the efforts of countries to integrate MCH within their HIV/AIDS, TB and malaria programmes, and strongly encourages CCMs to look at opportunities to scale up an integrated health response that includes MCH in their applications for HIV/AIDS, TB, malaria and HSS.

However, the Board notes that despite support for integrated MCH services through the current Global Fund portfolio, some areas along the continuum of care in maternal and child health will not be addressed by 2015. These areas, as outlined in the Consensus for Maternal, Newborn and Child Health, include comprehensive family planning, skilled care for women and newborns during and after pregnancy and childbirth.

The Board encourages countries and partners, as a matter of urgency, to work together in the context of opportunities presented through grant reprogramming, Round 10, and changes to the

Global Fund grant architecture to urgently scale up investments in MCH in the context of the Global Fund's core mandate.

The Board strongly encourages CCMs to identify opportunities to scale up an integrated health response that includes MCH in their applications for HIV/AIDS, tuberculosis, malaria and HSS. The Board agrees to work with partners in exploring ways to further enhance and integrate the Global Fund's contributions in this area within the context of national strategies and integrated approaches.

The Board requests the Secretariat to review and elaborate the potential options and their implications for enhancing the contributions of the Global Fund to MCH, recognizing the urgent need for additional and sufficient financing for MCH as well as for AIDS, tuberculosis and malaria, and exploring how this will impact on existing Global Fund policies, partnerships, resource mobilization, procedures, and operations, including CCMs, TRP and staffing at the Secretariat. The Board further requests the Secretariat to report on this matter at the 14th Policy and Strategy Committee meeting for its recommendation to the Twenty-Second Board Meeting.

This decision does not have material budgetary implications.

AMENDMENTS TO THE GLOBAL FUND BY-LAWS, BOARD OPERATING PROCEDURES AND TERMS OF REFERENCE OF THE BOARD CHAIR AND VICE CHAIR - WITH REGARDS TO THE BOARD CHAIR AND VICE-CHAIR NOMINATION AND ELECTION PROCESS:

(Additional amendments to paragraph 19.3 of this Revision 1 are indicated in double strikethrough)

1. Amendments to the By-Laws:

Article 7.1. Composition

The Foundation Board shall consist of twenty voting members and ~~six-eight~~ non-voting members. Each voting member shall have one vote.

[...]

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

- The Board Chair;
- The Board Vice Chair;
- [...]

Members of the Foundation Board ("Board Members") other than the Chair and Vice Chair may each appoint one Alternate Member to serve in their stead, under policies and procedures determined by the Foundation Board.

Article 7.2. Appointment of Foundation Board Members

Each group mentioned in Article 7.1 of these Bylaws will determine a process for selecting its Foundation Board representation. Except for the Chair and Vice Chair who shall each act in their personal capacities, Board Members will serve [...]

Other than the Executive Director, Chair and Vice Chair, Board Members shall be deemed to act in their capacity as representatives of their respective governments, organizations, constituencies or other entities.

Article 7.3. Chair and Vice Chair

Board Members will select the Chair and the Vice Chair of the Foundation Board ~~from among voting Board Members,~~ provided that [...]

Article 7.4. Functions

The Foundation Board is the supreme governing body of the Foundation. The Board shall exercise the powers of the Foundation, including the following:

- appoint Board Members selected in accordance with Article 7.2;
- select the Chair and Vice Chair of the Foundation Board;
- [...]

Article 7.7. Quorum

The Foundation Board may conduct business only when a majority of Board Members of each of the two voting groups defined in Article 7.6 and at least the Chair or Vice Chair of the Foundation Board are present.

2. Amendments to the Board Operating Procedures:

Paragraph 16.1 Chair and Vice Chair

- a. The Chair, or in his or absence, the Vice Chair, shall be responsible for the conduct of all meetings of the Board, and shall be the principal spokesperson for the Board. ~~While the Board Chair, or in his or her absence, the Vice Chair is presiding, his or her Alternate Member (or any designated member of his or her delegation) will be permitted to participate in the discussion. However, the Board Chair or Vice Chair will retain the single vote of the constituency. The Board Chair and Vice Chair will retain the single vote of the constituency.~~ The Board Chair and Vice Chair shall owe duties to act in the best interests of the Global Fund at all times and shall not represent the interests of any one constituency or voting block.

Paragraph 18. Timing of Elections and Commencement of Terms

- 18.1 Elections of the Chair and Vice Chair shall take place at the first Board meeting of the year in which the elections are scheduled to occur in accordance with the terms for the Board Chair and Vice Chair as set out in the Bylaws. In the case of a vacancy, elections to fill the vacant slot shall take place at the first Board meeting at which a vacancy exists.

Paragraph 19. Nominations Process and Eligibility to Stand for Board Chair or Vice Chair

- 19.1 The Chair Secretariat shall announce forthcoming elections and call for nominations ~~at least~~ no less than three calendar months ~~days~~ in advance of the election.
- 19.2 Nominations ~~may~~ must be sent to the Office of the Chair and received within four calendar weeks after the date on which the call for nominations is made. ~~any time prior to the election, through nominations should be received by the Secretariat 20 days prior to the election.~~

19.3 ~~Subject to the operation of Section 19.4 below, any individual who fulfils the minimum requirements as set out by the Board for the position of Board Chair or Vice Chair may stand for office.¹ The Board Chair and Vice Chair may, at their discretion having regard to the number of candidates nominated under Section 19.2, form an ad hoc nominations committee to assist with the process of identifying and/or evaluating candidates for Board Chair and Vice Chair in advance of the election. The Board Chair and Vice Chair may set such terms of reference for the nominations committee as the Board Chair and Vice Chair determine appropriate.~~

19.4 Candidates are eligible for election when they have been nominated by representatives from Board constituencies which have a vote on the Board, and they have confirmed to the Office of the Chair Secretariat that they accept the nomination.

Paragraph 20. Voting Process

20.1 The Board Chair shall conduct the election

3. Amendments to the Terms of Reference of the Board Chair and Vice Chair

D. KEY COMPETENCIES OF THE CHAIR AND VICE-CHAIR OF THE BOARD:

The Chair of the Board should possess the following key competencies:

- In-depth knowledge of the Global Fund both in terms of its operations and governance structures. ~~Ideally should have served for a considerable period as a Board member, Alternate or Committee member~~

G. ROLE OF THE VICE-CHAIR OF THE BOARD:

[...]

Therefore the Vice-Chair is ~~generally~~ required to have ~~the above competencies~~, and the ability to take on the responsibilities of the Chair as required. The Vice-Chair performs a similar advocacy / ambassadorial role for the Global Fund. ~~The Vice Chair of the Board should be able to commit a similar amount of time to the role as outlined above, and have similar resources readily available.~~

¹ The minimum attributes for the Chair and Vice Chair are set out in the document entitled "Terms of Reference for the Chair and Vice-Chair of the Board of The Global Fund to Fight AIDS, Tuberculosis and Malaria", as amended from time to time, and available at: <http://extranet.theglobalfund.org/board/default.aspx>

Technical Evaluation Reference Group (TERG) for the Global Fund to Fight AIDS, Tuberculosis and Malaria: Terms of Reference, Membership and Procedures

(December 2010)

Background

1. The Technical Evaluation Reference Group (TERG) was established in 2003 to support the Global Fund Secretariat's monitoring and evaluation work. Since then, the TERG has concluded a Five-Year Evaluation of the Global Fund and commissioned several independent evaluations. In addition the monitoring and evaluation capacity and function of the Secretariat have been strengthened and the role of the Office of the Inspector General has also been reinforced to provide assurance to the Global Fund's processes.

2. In 2009, the Board requested the Chair of the Policy and Strategy Committee (PSC) to take into account the developments that have occurred since 2003 and to further define the role of the TERG in relation to commissioning independent evaluations, the resources required and the Board oversight of the processes. A consultation process and a collective reflection involving the PSC, the TERG and the Secretariat have been conducted, which have resulted in this revised version of the Terms of Reference for the TERG.

Mandate

3. The TERG shall be an independent evaluation advisory group. The TERG shall be accountable to the Board for ensuring independent evaluation of the Global Fund business model, investments and impact.

4. The TERG shall conduct independent evaluations on behalf of the Board and its Committees into areas where, for reasons of objectivity and credibility, independence in management and oversight is essential. The TERG may also identify areas which, in its opinion, require independent evaluations. These independent evaluations will be complementary to and add value to the evaluation functions performed by the Secretariat, grantees, and the assurance function performed by the Office of the Inspector General. Specifically, the TERG shall:

- a) Develop an annual work plan after a broad consultation with all the Global Fund stakeholders under the guidance of the Board and relevant Board committees to conduct policy-relevant and independent evaluations of the Global Fund business model, investments and impact. This work plan shall be informed by the Global Fund's evaluation strategy. The TERG shall design, commission and oversee these independent evaluations, with administrative support from the Secretariat and within a budget approved by the Board;
- b) Independently assess and report on the monitoring and evaluation work conducted by the Secretariat and grant recipients, recognizing that the

Executive Director is responsible for overseeing the internal evaluation function;

- c) Provide independent advice to the Secretariat and to the Board and its Committees on monitoring and evaluation related matters and especially on systematic evaluation of Global Fund investments, including by reviewing an annual monitoring and evaluation strategy developed by the Secretariat; and
- d) Report annually to the Board on the implementation of its work plan and present multi-year reports that are capitalizing on monitoring and evaluation activities implemented by grant recipients, by the Secretariat and by Global Fund partners.

Composition

5. The TERG shall have nine appointed members plus five ex officio members comprising the monitoring and evaluation focal point on the PSC, the TERG focal point in the Secretariat and the chairs of the monitoring and evaluation reference panels of UNAIDS, Roll Back Malaria, and the Stop TB Partnership. In addition to the regular TERG membership, additional experts may be invited by the TERG Chair and Vice Chairs to participate to TERG meetings as the need arises.

6. The TERG shall comprise of an independent group of experts in monitoring and evaluation who are all institutionally independent of the Secretariat, Board, and Board committees. TERG members will serve in their personal capacities only and will not represent their employers, governments or Global Fund partner organizations including the United Nations and its specialized agencies.

7. Membership of the TERG shall be drawn from a range of stakeholders, including practitioners, research institutions, academics, donor and recipient countries, and non-governmental organizations and shall be guided by the following criteria:

- Credibility and independence;
- Expertise and experience in monitoring and/or evaluation;
- Country experience in data collection and quality assurance;
- Knowledge of HIV/AIDS, tuberculosis and malaria issues;
- Knowledge of the Global Fund and its activities;
- Commitment and availability to participate in meetings;
- Absence of conflict of interest;
- Geographical representation; and
- Gender balance.

8. The disciplines considered essential for the TERG include evaluation, monitoring, public health (including epidemiology/biostatistics), HIV/AIDS, tuberculosis and malaria, social sciences (including behavioural sciences, health economics, demography, operations research etc.), programme management including health management information systems, and issues related to development, such as sector wide approaches and harmonization. In order to fulfil its mandate, the TERG is invited to provide recommended changes in its skills mix to the Board, through the PSC.

9. The TERG shall elect a Chair and two Vice-Chairs from among its appointed members. The rules regarding the length of appointment set out in paragraph 13 of these

Terms of Reference, Membership and Procedures apply equally to the Chair and Vice-Chairs. In the identification of the TERG Chair and Vice-Chairs, appropriate consideration shall be given to geographic representation, discipline, skills and expertise, and gender.

Appointment of TERG members

10. The PSC, with support from the Secretariat, shall invite Board constituencies, and TERG past and current members to identify appropriately qualified and independent experts to receive an invitation to apply.

11. Recruitment and selection of TERG members shall be managed by the PSC with support from the Secretariat through an open, transparent and criteria-based process. The Executive Director of the Global Fund shall be given the opportunity to provide inputs to the selection process.

12. The Board of the Global Fund shall appoint TERG members based on the recommendation of the PSC.

13. Members of the TERG shall normally serve for a period of three years, and shall be eligible to serve not more than two consecutive terms.

14. The membership of the TERG shall be managed so that approximately one-third of its membership shall retire by rotation each year.

Working modalities

TERG meetings

15. The TERG will have at least two formal meetings each year, scheduled at a time convenient to at least a majority of the members. Additional TERG meetings may be scheduled if the need arises, as requested by the TERG Chair.

16. Sub-groups of the full TERG may be convened by the Chair of the TERG, in consultation with the monitoring and evaluation focal point member of the PSC and the Secretariat, on an ad hoc basis to consider specific issues.

17. With the support of the Secretariat, the TERG shall maintain other means of communication, including electronic discussion groups or video conferencing, to facilitate the exchange of views between formal meetings. Arrangements will be made for regular access to relevant information from internal and external monitoring and evaluation activities related to the Global Fund as specified by the TERG.

18. In the exceptional event that a TERG member is unable to attend a meeting, he/she will be able to designate a replacement subject to prior approval of the TERG Chair.

19. TERG members are "Covered Individuals" as defined under the Policy on Ethics and Conflict of Interest for Global Fund Institutions and will therefore be subject to conflict of interest reporting as required by the Ethics Committee and by any agreed conflict of interest policy adopted by the TERG.

Honoraria

20. In addition to travel expenses and per diems which may be claimed in accordance with Global Fund policies, TERG appointed members may also each be granted an honorarium. The amount of this honorarium and its detailed modalities shall be determined at the discretion of the Finance and Audit Committee (FAC) and may be aligned to the honoraria granted to members of the Technical Review Panel. The TERG Chair and Vice-Chairs may be granted an increased honorarium compared to regular TERG members. The Secretariat will provide an annual report on the honoraria granted to TERG members to both the PSC leadership and the FAC leadership.

TERG Work plan and budget

21. With support from the Secretariat, The TERG shall develop an annual work plan and budget covering TERG operations and independent evaluations. The work plan shall be developed in consultation with the Secretariat, the Office of the Inspector General and Board Committees. The TERG work plan and budget shall be approved by the Board after review by the PSC and the FAC in line with the Global Fund budget process. The TERG work plan and budget shall be independent of that of the Secretariat.

TERG support

22. The TERG shall have a TERG support team to provide operational, administrative, and logistic support to the TERG in the implementation of the TERG work plan including the management of independent evaluations and the organisation of TERG meetings.

23. The TERG support team shall be administratively within the Secretariat and report directly to the Executive Director.

24. The TERG support team shall be responsible for managing the TERG budget on a day-to-day basis. The Secretariat shall ensure that the support team is adequately resourced to support the TERG and that it has access to all monitoring and evaluation documents, tools, and meetings that are necessary for it to keep abreast of monitoring and evaluation activities conducted by the Secretariat and by grants recipients.

25. As part of its annual report to the Board, the TERG shall produce an assessment of the independence and working modalities of its support team. In this report, the TERG may recommend institutional arrangements that seem necessary to ensure that the TERG support team is independent, whilst remaining administered by the Secretariat, and that it has access to the resources needed to deliver its tasks.

26. TERG members shall communicate directly with the TERG support team, and vice versa. The support team will ensure that the monitoring and evaluation focal point on the PSC is informed of key decisions of the TERG.

Relations with the Board and its Committees

27. The TERG shall regularly report on its work to the Board through the PSC. A summary of the TERG report to the PSC shall be included as part of the PSC's report to the Board. All TERG reports that may be forwarded directly to the Board will be on approval and/or recommendation of the PSC Chair.

28. The Board, either directly or through its committees, may request the TERG to consider commissioning or overseeing independent evaluations in areas it identifies. The

TERG shall report the findings on such evaluations directly to the relevant Board committee and, as appropriate, update the PSC on its work as part of its regular report.

29. All recommendations of the TERG are advisory and are not binding on the Board or any of its committees. The PSC and Board committees shall not revise TERG recommendations nor prevent those recommendations from reaching the Board.

TERG attendance to governance meetings

30. At the discretion of the PSC and Board Chairs, the TERG Chair shall have a standing invitation to PSC and Board meetings to observe proceedings through an "all areas pass".

31. The TERG Chair may, at his or her request, have a time slot available as part of the pre-Board briefings to present TERG-related matters to all delegates present at the Board Meeting. If the report concerns an evaluation of a matter directly pertaining to a Board committee or a Secretariat work stream, committee or Secretariat staff should be present to respond to queries from the audience and/or to present their position as appropriate.

Relations with the Secretariat

32. The primary focal point for the TERG in the Secretariat is the Deputy Executive Director of the Global Fund.

33. All communications of a strategic nature from the TERG Chair and its members shall be addressed and channelled to the Deputy Executive Director. The Deputy Executive Director shall:

- Ensure relevant communications from the TERG are addressed to Cluster Directors and staff as appropriate;
- Provide timely responses to enquiries of the TERG and otherwise ensure cooperation of the Secretariat with the TERG;
- Oversee the publication of the official records of TERG meetings in line with the Global Fund's Documents Policy; and
- Communicate to the TERG the names and roles of the Secretariat TERG Support team.

34. The support team shall ensure that the TERG Secretariat focal point is informed of TERG decisions and/or activities that require his/her attention or strategic engagement.