



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Twenty-Third Board Meeting
Geneva, Switzerland, 11 -12 May 2011

Appointment of Rapporteur

Decision Point GF/B23/DP1:

Mr. Maksut Kulzhanov from the Eastern Europe and Central Asia constituency is designated as rapporteur for the Twenty-Third Board Meeting.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Approval of Agenda

Decision Point GF/B23/DP2:

The agenda for the Twenty-Third Board Meeting (GF/B23/1 Revision 1) is approved.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Approval of the Report of Twenty-Second Board Meeting

Decision Point GF/B23/DP3:

The report of the Twenty-Second Board Meeting (GF/B23/2) is approved.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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High-Level Independent Review Panel

Decision Point GF/B23/DP4:

The Board approves the establishment of a High-Level Independent Review Panel on fiduciary controls and oversight mechanisms under the Terms of Reference contained in Annex 1 to the document entitled “High-Level Independent Review Panel on the Fiduciary Controls and Oversight Mechanisms” (GF/B23/21).

The Board notes that the estimated cost of the High-Level Independent Review Panel is approximately USD 2.2 million for consultancy fees and costs associated with travel and meetings. The Board delegates the Finance and Audit Committee (FAC) to consider and approve the High-Level Independent Review Panel budget within the framework of the 2011 administrative budget review, which is scheduled for June 2011.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Election of Board Chair and Vice-Chair

Decision Point GF/B23/DP5:

The Board appoints Mr. Martin Dinham as Chair of the Board and Dr. Mphu Ramatlapeng as Vice-Chair of the Board for a two-year mandate from the adjournment of the Twenty-Third Board Meeting and until the adjournment of the first Board Meeting in 2013.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Extension to the Board Committee Membership and Leadership Terms

Decision Point GF/B23/DP6:

1. The Board decides to extend the membership and leadership terms of all the existing standing and ad hoc Board Committees until the appointment of the incoming Board Committee membership and leadership, which shall be no later than the end of the last Board meeting of 2011.
2. The Board extends its gratitude to all Committee leaders and members for their continued commitment to the Global Fund.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Report of the Comprehensive Reform Working Group

Decision Point GF/B23/DP7:

The Board embraces the Report of the Comprehensive Reform Working Group (CRWG Report GF/B23/13) and fully supports the need for continuous reform. The Board also endorses the broad direction of the Plan for Comprehensive Reform (PCR), as included in Annex 1 to the CRWG Report (GF/B23/13), and specifically recognizes its enumerated reform objectives.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Plan for Comprehensive Reform: Fiduciary Controls

Decision Point GF/B23/DP8:

1. The Board recognizes that an effective system of fiduciary control that spans from proposal development through grant implementation is essential to the Global Fund.
2. As such, the Board requests the Secretariat to take the following actions as specified in Part 5.2.i-iv of the Report of the Comprehensive Reform Working Group (CRWG Report) GF/B23/13, and report on its progress and implementation of these actions at the Twenty-Fourth Board Meeting:
 - i. Develop an accountability framework for fiduciary control and risk management;
 - ii. Strengthen the application and enforcement of minimum Principal Recipient requirements;
 - iii. Develop a fully transparent information system and an effective communications strategy; and
 - iv. Develop a calibrated and differentiated response mechanism.
3. Pursuant to Part 5.2.v of the CRWG Report, the Board requests that the Finance and Audit Committee (FAC) review and refine the position and scope of audit and investigation functions, and report on its progress at the Twenty-Fourth Board Meeting.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Plan for Comprehensive Reform: Value for Money

Decision Point GF/B23/DP9:

1. The Board recognizes that the Global Fund is well-positioned to drive value for money and should leverage its role as the primary financier of essential health products so as to improve quality, price, design, and sustainable supply. In this context the Board asks the Market Dynamics Committee to propose to the Twenty-Fourth Board meeting expanded uses for the MDC's "toolkit" of interventions-including opt-out mechanisms.
2. When value for money efforts generate savings, the normal consequence is that such savings should stay in countries to scale up efforts against one or more of the three diseases.
3. In order to drive value for money, the Board requests the Secretariat to:
 - i. Take all necessary and appropriate measures to (1) fully implement voluntary pooled procurement (VPP) and (2) aggressively execute the Market Dynamics Committee recommendations.
 - ii. Work with the MDC to determine reference prices to establish maximum levels of Global Fund payments for appropriate products. Reference prices should be set at the lowest accessible competitive price consistent with well-functioning and sustainable markets, recognizing differences according to country income and disease burden.
 - iii. Set limits on how much support the Global Fund will provide in categories of expenditure where there is a risk of overuse or inefficiency ("yellow light" items, e.g., vehicles).
 - iv. Work proactively with Principal Recipients (PRs) and Country Coordinating Mechanisms (CCMs) to use reprogramming within countries to ensure increased use of cost-effective interventions to maximize health impact. The Secretariat should incorporate guidance from technical partners to help guide this reprogramming.
4. In the context of reporting to the Board on the Global Fund's portfolio and its impact on the three diseases, the Secretariat is asked to provide an annual report on its value for money work, including quantified results in terms of savings and additional coverage or impact.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Plan for Comprehensive Reform: Partnerships

Decision Point GF/B23/DP10:

The Board recognizes that the Global Fund, as a financing agency, is both a part of, and heavily dependent on, a partnership model in a range of its strategic functions including to an extent for the success of countries in developing, managing and implementing grants in countries. The Board supports consideration of the recommendations set forth in Parts 5.8-5.10 of the Report of the Comprehensive Working Group GF/B23/13 in the Strategy Process. The Board requests that the Secretariat move on the following two items in the near term, and report on its progress and implementation of these actions at the Twenty-Fourth Board Meeting:

- i. Strengthen country-level mechanisms to build on goodwill-based partnerships through formalized agreements between in-country stakeholders to ensure effective technical cooperation, country support, and capacity building in areas that have been identified as gaps, e.g., in technical, financial, and operational management.
- ii. Use flexible funding models, where agreed by the Country Coordinating Mechanisms (CCMs) and Principal Recipients (PRs), to utilize existing grant budgets to improve financing of partner support for grant implementation, particularly in bottleneck situations.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Plan for Comprehensive Reform: Business Model

Decision Point GF/B23/DP11:

1. The Board finds that the Global Fund needs to re-examine its business model. It should move away from a one-size-fits-all approach to a differentiated and calibrated model that allocates oversight resources based upon the risks and resources associated with specific and diverse country contexts. Consistent with this approach, the Board adopts the following three broad principles to guide further development of the business model:
 - i. The Global Fund should actively adapt its business model to place greater importance on disease and health impact and value for money.
 - ii. The Global Fund should improve allocation of resources by adapting its funding modalities and grant management systems to better take into account: (1) performance record of the grant, Principal Recipient (PR), and country; (2) risk presented by the grant, PR, and country; and (3) relative size and role of the Global Fund in-country.
 - iii. The Global Fund should measure the effectiveness of its business model, with particular regard to the health impact on the three diseases and transaction costs.
2. In addition, the Board requests that the Secretariat strengthen two specific reforms to improve the business model, and report on its progress at the Twenty-Fourth Board Meeting:
 - i. Identify ways to reinforce the application of performance-based funding, such as evaluating the current framework, increasing transparency, further developing methodology, and moving towards payment-for-service.
 - ii. Further reinforce the tracking and enforcement of additionality, working with other bodies as appropriate.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Plan for Comprehensive Reform: Governance

Decision Point GF/B23/DP12:

1. The Board recognizes that addressing governance challenges will enhance the impact and management of the Fund, enable the Board and Secretariat to effectively pursue the Plan for Comprehensive Reform (PCR), as set forth in the Report of the Comprehensive Working Group (CRWG Report, GF/B23/13), and facilitate the next Global Fund strategy.
2. The Board requests that the incoming Chair and Vice-Chair, working with committees and Secretariat as appropriate, lead and oversee a process for governance reforms, as set out in Parts 5.14-5.17 of the CRWG Report (GF/B23/13). Reforms will be presented for Board approval at the Twenty-Fourth and Twenty-Fifth Board Meetings.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Plan for Comprehensive Reform: Implementation of Reforms, Monitoring and Learning

Decision Point GF/B23/DP13:

1. The Board acknowledges that the Global Fund, as a whole, needs to move forward thoughtfully with the implementation of the overall comprehensive reform agenda, and asks that the Secretariat and incoming Chair and Vice-Chair of the Board take on and advance the operational and governance reforms recommended in the Report of the Comprehensive Working Group (CRWG Report, GF/B23/13).
2. The Board notes that strategic priorities will need to be set in anchoring the operational reforms in the Secretariat's current workplan. The Board encourages the Secretariat to engage with the Chair, Vice-Chair, and Finance and Audit Committee (FAC) regarding resource implications for successful implementation of these reforms.
3. The Board acknowledges that consultations with direct implementers have been conducted in Ukraine, Kenya, Thailand, El Salvador and Senegal as part of the comprehensive reform process, and that those inputs should be taken into consideration during the implementation of reforms.
4. The Board acknowledges that it will be accountable for the successful implementation of the comprehensive reform agenda. The Board requests the Executive Director and incoming Chair and Vice-Chair to jointly submit a report at Twenty-Fourth and Twenty-Fifth Board Meeting, which outlines overall progress in relation to the nine reform objectives.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Global Fund Strategy Framework 2012-2016

Decision Point GF/B23/DP14:

The Board:

1. Acknowledges the first draft of the high-level strategy document “A Strategy for the Global Fund 2012-2016” (GF/B23/15, Annex 1), which sets out the preliminary strategic direction of the Global Fund for the next five years;
2. Requests the PSC leadership to appoint a Working Group of the PSC (the “Working Group”) to work with the Secretariat, taking into account input from the Twenty-Third Board Meeting, to revise the draft Strategy Framework, prior to consultations with stakeholders, particularly at the Fourth Partnership Forum. The Working Group and Secretariat shall further improve this revised draft Strategy Framework following consultations;
3. Asks the Partnership Forum Steering Committee to design an appropriate and efficient process to enable effective consultation on the draft Strategy Framework at the Fourth Partnership Forum;
4. Asks the Working Group, working with the Secretariat, to ensure appropriate linkages between the action plan of the Board Comprehensive Reform Working Group and the initiatives outlined in the draft Strategy Framework and its Implementation Plan;
5. Asks the Secretariat, working with the Working Group, to host additional necessary regional and technical fora to gather additional input on the draft Strategy Framework, as revised following the Twenty-Third Board Meeting; and
6. Requests the Secretariat to submit the Strategy Framework, together with an implementation plan, through the PSC to the Twenty-Fourth Board Meeting for approval.

The Board notes that the estimated budget impact of the Strategy development process in 2011 is approximately USD 950,000 for costs including technical and regional consultations, consultant fees and travel costs. The Board delegates the FAC to consider and approve this budget within the framework of the 2011 administrative budget review, which is scheduled for June 2011.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Replenishment of TERG Members

Decision Point GF/B23/DP15:

The Board appoints Dr. Viroj Tangcharoensathien, Dr. Mickey Chopra, Dr. Atsuko Aoyama and Dr. Paulin Basinga as members of the Technical Evaluation Reference Group (TERG) for a period of three years until the end of the first Board meeting in 2014.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Interim measure to address challenges experienced by First Learning Wave grants based on National Strategy Applications for Madagascar and Rwanda

Decision Point GF/B23/DP16:

1. The Board:

- i. refers to its decision (GF/B18/DP20) to bring the National Strategy Applications (“NSA”) procedure into operation through a phased roll-out beginning with the First Learning Wave (“FLW”);
 - ii. notes the specific challenges faced by certain FLW grants in relation to NSA funding continuation, particularly relating to the timing of the rounds-based process for proposal review and approval, which has posed planning difficulties and the possible prospect of significant funding gaps;
 - iii. underscores the nature of the NSA procedure as a response to country requests for more streamlined funding mechanisms and as an expression of the Global Fund’s commitment to principles of alignment and harmonization embodied in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action; and
 - iv. reiterates the importance of ensuring that future NSA funding opportunities that may be approved by the Board take into account the lessons learned in the FLW.
2. To provide a long-term solution to the challenges noted above, the Board requests the Policy and Strategy Committee to consider at its meeting in or around October 2011 options, which the Secretariat will develop, for allowing the submission of funding requests through the NSA and Health Systems Funding Platform (“HSFP”) modalities in an equitable fashion and at a time suited to country-specific national planning cycles.
 3. Such discussions should be conducted in the context of the work on the new Global Fund Strategy 2012-2016 and, specifically, discussions to occur as part of this strategy on the future of Global Fund funding modalities and harmonization between them (including the rounds-based modality, NSAs, and the HSFP, in the context of the Global Fund’s new architecture).
 4. In addition, as an interim and exceptional measure to address the specific challenges faced for the NSA FLW grants for Madagascar (malaria) and Rwanda (HIV and tuberculosis) in having timely and uninterrupted access to funding in a way that does not prejudge future Board decisions on funding modalities, and provided the country in question has not submitted a proposal to address the same disease component through Round 11, the Board decides as follows:
 - i. To allow the Country Coordinating Mechanism of each of Madagascar and Rwanda to seek an extension with bridge funding (“FLW extension funding”)

under the stipulations included in the Annex to this decision point, for a time-limited period such that the length of this extension period will not cause the combined lifespan of the original grant and the extension period to exceed five years, to provide continuity of funding until either:

- a. Round 12, or
 - b. the next NSA funding opportunity made available to those countries by the Board, whether concurrent with Round 12 or not.
5. To determine, no later than December 2011, in the context of its discussions on the future of Global Fund funding modalities, whether it will offer an NSA funding opportunity of the type described under 4 i.(b) above.
 6. To authorize the Secretariat to make limited exceptions to existing policies and procedures to the extent necessary to implement this decision and within the parameters described in the Annex to this decision point.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
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Annex to GF/B23/DP16

1. The FLW extension funding in each case will have “Additional Commitments” priority, and the associated funds will be taken from those already included for the FLW grants of Madagascar and Rwanda in the forecast of Additional Commitments as described in Annex 2 of the ‘Report of the Policy and Strategy Committee’ GF/B23/4.
2. The maximum total duration of the FLW extension funding in each case will be limited to the duration already forecast for the “Additional Commitments” funds as described in Table 1 of Annex 3 of the ‘Report of the Policy and Strategy Committee’ GF/B23/4.
3. The maximum FLW extension funding amount will not be higher than the maximum annual extension amount, as per Table 1 of Annex 3 of the ‘Report of the Policy and Strategy Committee’ GF/B23/4 multiplied by the duration of the extension measured in years.
4. The FLW extension funding will be subject to TRP review and Board approval.
5. The procedure to provide FLW extension funding will be as described in Annex 3 of the ‘Report of the Policy and Strategy Committee’ GF/B23/4.
6. All Global Fund policies and procedures, including rules relating to eligibility and cost-sharing, will apply to the FLW extension funding except as otherwise provided herein. The limited exceptions to existing policies and procedures granted in this decision in order to implement it include the timing and format of submission, and the TRP review procedure. Any exceptions needed beyond these will be notified to the Board for its consideration and approval.



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Revised Country Coordinating Mechanisms Guidelines

Decision Point GF/B23/DP17:

1. The Board:
 - i. approves the revised Guidelines and Requirements for Country Coordinating Mechanisms (“CCM Guidelines”) as set out in Annex 1 of GF/B23/05; and
 - ii. authorizes the Secretariat to update, add or delete electronic links to reference documents within the CCM Guidelines periodically as necessary.
2. The Board notes that the CCM Guidelines will inform the development of a performance framework to be used in the context of CCM funding. The CCM performance framework will be developed under the oversight of the Portfolio and Implementation Committee which will report to the Board on progress relating to the CCM performance framework no later than the Twenty-Fifth Board Meeting.
3. The Board acknowledges that the ongoing review of CCM implementation of the requirements will require additional resources for the Secretariat. Similarly, Secretariat support for CCMs to meet standards for good governance will require additional resources in 2011 and beyond. For 2011, the resource requirements will be covered under extra-budgetary resources. For 2012 and beyond, the annual budgetary requirements will be subject to approval by the Board as part of the regular budgetary process under the oversight of the Finance and Audit Committee.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Revisions to the Terms of Reference of the Technical Review Panel (TRP)

Decision Point GF/B23/DP18:

1. The Board delegates to the Portfolio and Implementation Committee the authority to update the Terms of Reference of the TRP to:
 - i. reflect the Global Fund's Policy on Eligibility Criteria, Counterpart Financing Requirements, and Prioritization of Proposals for Funding from the Global Fund approved at the Twenty-Third Board Meeting.
 - ii. incorporate value for money principles, clarify language for applicants and eliminate duplications in the review criteria for proposals (Attachment 1 of the Terms of Reference); and
 - iii. adjust for recommendation categories as specified in the Periodic Reviews and Commitments Policy (Report of the PSC, GF/B20/4 Revision 2, Annex 2a) and other non-material items.
2. The revised Terms of Reference will enter into force after the Portfolio and Implementation Committee's approval on or about 1 July 2011.
3. The Board requests the Portfolio and Implementation Committee to notify the Board of the approved version.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Revisions to the Whistle-blowing Policies

Decision Point GF/B23/DP19:

The Board decides to replace the Whistle-blowing Policy for the Secretariat and Governance Bodies of the Global Fund and the In-country Whistle-blowing Policy for the Global Fund (approved at the Thirteenth Board meeting) with the new Whistle-blowing Policy and Procedures as set forth in Annex 1 of the Report of the Ethics Committee (GF/B23/7).

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Revisions to the Ethics and Conflict of Interest Policy's Declaration of Interest Form

Decision Point GF/B23/DP20:

The Board decides to replace the Declaration of Interest form attached to the Policy on Ethics and Conflict of Interest for Global Fund Institutions (approved in October 2002 and amended by GF/B18/DP10) with a new Declaration of Interest form as set forth in Annex 2 of the Report of the Ethics Committee (GF/B23/7).

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Global Fund Market-Shaping strategy and Market-Shaping Interventions for ARVs

Decision Point GF/B23/DP21:

Part 1 - Key principles of Market-Shaping Strategy

1. The Board acknowledges the critical role of the Global Fund in shaping markets to maximize global access to health products in accordance with the applicable Global Fund quality assurance requirements at affordable and sustainable prices and further emphasizes its desire for the Global Fund to more actively shape the markets for health products to optimize price, quality, design, and sustainable supply.

Part 2 - Market-shaping strategy

2. The Board approves the market-shaping strategy of the Global Fund set out in Annex 1 to the Report of the Market Dynamics and Commodities Ad-hoc Committee ("MDC") to the Board (GF/B23/9 Revision 1) ("Market-Shaping Strategy"). The Board requests the MDC to oversee the refinement and implementation of the Market-Shaping Strategy, including through relevant non-material changes to Annex 1.

Part 3 -Market-shaping interventions for Anti-Retroviral medicines (ARVs)

3. The Board approves the strategic interventions for ARVs in accordance with the Market-Shaping Strategy ("Strategic Interventions") as recommended by the MDC and described in Annex 1 to the MDC Report to the Board (GF/B23/9 Revision 1).

4. The Board requests the Secretariat to implement the Market-Shaping Strategy and relevant Strategic Interventions under the oversight of the MDC. The Board requests that an implementation framework and appropriate policies and procedures be developed to effectively implement the Strategic Interventions with appropriate consultation. The Board requests the MDC to report back on progress at the Twenty-Fourth Board Meeting.

5. Recognizing the risk of supply disruption to pediatric ARVs for certain Global Fund grant programs due to the phase-out of the UNITAID pediatric ARV program, as identified by the MDC and outlined in Table 1 of the MDC Report to the Board (GF/B23/9 Revision 1), the Board requests the Secretariat to prioritize the implementation of the Strategic Interventions set out in Section 5.2.2 of the Market-Shaping Strategy. Further, the Board requests the Secretariat, in consultation with UNITAID and other relevant partners, to facilitate the provision of support to principal recipients to sustain pediatric ARV treatment. The Board further requests the Secretariat to prioritize the execution of the appropriate policy and procedural changes to enable the Secretariat to use the Voluntary Pooled Procurement mechanism ("VPP") to strategically manage demand for pediatric ARVs to ensure the consistent and timely availability of these products purchased through the VPP.

6. The Board requests the Secretariat and MDC to provide an update on progress in refining and implementing the Market-Shaping Strategy and the Strategic Intervention for ARVs at the Twenty-Fourth Board Meeting. The Board also requests the MDC to oversee an independent evaluation of the strategy after an appropriate period of implementation.

Part 4 - Budgetary Implications

7. The Board recognizes that implementation of the proposed Strategic Interventions for ARVs have budgetary implications for the Secretariat's operating expenses budget starting in 2011 as described in Table 1 of the MDC Report to the Board (GF/B23/9 Revision 1). The estimated implications for 2011 amount to USD 350,000 for provision of market-shaping tools and implementation of Strategic Interventions, including 4 Full Time Equivalents ("FTEs") starting on or about October 2011.

8. The Board requests the Finance and Audit Committee ("FAC") to consider and approve the budgetary implications of this Decision Point within the framework of the 2011 administrative budget review, which is scheduled for June 2011.

9. The Board further requests the FAC to consider the budgetary implications of market-shaping strategies including the continued cost of the 4 FTEs for 2012 and later years as part of the regular budgeting cycle.

Part 5 - MDC authority to approve implementation of subsequent Strategic Market Interventions

10. Recognizing the MDC's technical competency, the Board authorizes the MDC to approve the implementation of other Strategic Interventions for health products procured using Global Fund financing, without requiring further approval or authorization from the Board, provided that such Strategic Interventions:

- a. will not increase the Operating Expenses Budget of the Global Fund beyond the matters referred to in Part 4 above;
- b. will not contravene, or require an amendment to, a Decision Point or policy approved by the Board; and
- c. are consistent with the principles set out in the Market-Shaping Strategy.

11. The MDC shall notify the Board through the relevant MDC Reports to the Board of:

- a. any subsequent Strategic Interventions approved by the MDC for implementation in accordance with this Decision Point; and
- b. the progress of the implementation of such Strategic Interventions, including the phase-out of Strategic Interventions in accordance with the Market-Shaping Strategy.

Part 6 - MDC Authority Extends to Any Successor

The Board agrees that at its Twenty-Fourth Meeting it will request the Policy and Strategy Committee to recommend a course of action about the continuation of the MDC. Consequently, the Board determines that the authority and responsibilities conferred on the MDC in this Decision Point as applicable, shall apply with such necessary and consequential changes to any successor body or panel that may be approved by the Board to replace the role and responsibilities of the MDC in respect of this Decision Point.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Expediting transition to fixed-dose combinations of artemisinin-based combination therapies (ACTs)

Decision Point GF/B23/DP22:

1. In accordance with Board Decision Point GF/B22/DP11, the Board notes that the Market Dynamics and Commodities Ad-hoc Committee (“MDC”), in line with WHO guidance, has presented recommendations to the Board regarding appropriate transition by recipients of Global Fund financing to the use of fixed-dose combinations (FDCs) of artemisinin-based combination therapies (ACTs).
2. The Board determines that once the Secretariat has decided in its discretion that there are at least two FDC Finished Pharmaceutical Products of an ACT Formulation (“FDC ACT”) for the treatment of uncomplicated malaria that comply with the Global Fund Quality Assurance Policy for Pharmaceutical Products (as approved by the Board in accordance with Decision Point GF/B22/DP9) (“QA Policy”), and each FDC ACT is considered “available” as defined in Section 8 of the QA Policy,
then,
 - (a) the Global Fund shall notify Principal Recipients in writing and on the Global Fund website that it has made such a decision (the date of such notification being the “Notification Date”); and
 - (b) from 90 days after the Notification Date, Global Fund financing for that ACT formulation can only be used to procure FDCs of that ACT formulation.
3. For recipients of Global Fund financing that have not procured FDC ACTs using Global Fund financing prior to the Notification Date, a grace period of up to one year to transition to FDC ACTs can be applied on a case-by-case basis, at the discretion of the Secretariat. The Secretariat, in collaboration with partners, will facilitate the provision of support to recipients of Global Fund financing to conduct an effective and timely transition to FDC ACTs where necessary and appropriate.

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

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Eligibility Criteria, Counterpart Financing Requirements and Prioritization of Proposals for Funding from the Global Fund

Decision Point GF/B23/DP23:

1. The Board refers to its decisions at the Twenty-Second Board Meeting entitled “Review of the Eligibility and Cost Sharing Policy” (GF/B22/DP8), “Measures associated with funding future proposals” (GF/B22/DP25), and “Launch of Round 11, the Second Wave of National Strategy Applications and a Health Systems Funding Platform Pilot” (GF/B22/DP26).
2. The Board approves the document entitled “Policy on Eligibility Criteria, Counterpart Financing Requirements, and Prioritization of Proposals for Funding from the Global Fund” as set out in Attachment 1 (GF/B23/14) as the new policy governing these matters with the intention that this new policy shall apply to Round 11, the Second Wave of National Strategy Applications, the Health Systems Funding Platform Pilot and future funding opportunities.
3. To give effect to the new Policy on Eligibility Criteria, Counterpart Financing Requirements, and Prioritization of Proposals for Funding from the Global Fund from Round 11 onwards, the Board decides as follows:
 - a. To revoke the current policy on Income Level and Cost-Sharing Eligibility Criteria for Proposals for Funding from the Global Fund approved during the Sixteenth Board Meeting (GF/B16/DP18, Document GF/B16/7 Revision 1, Attachment 1) as amended at the Nineteenth Board Meeting (GF/B19/D13, GF/B19/DP14, GF/B19/DP15, Document GF/B19/05, Attachment 1); and
 - b. To amend the Comprehensive Funding Policy and Related Board Decisions as approved at the Sixth Board Meeting (as amended at the Thirteenth Board Meeting and by GF/B15/27, GF/B20/DP9, EDP/B21/20 and GF/B22/DP22) by deleting paragraph 8 and replacing paragraph 7 b. of the Comprehensive Funding Policy with the following new sub-paragraph as follows:

“7 b. If sufficient resources are not immediately available to approve all TRP-recommended proposals, proposals shall be prioritized in accordance with the Prioritization requirements set out in the “Policy on Eligibility Criteria, Counterpart Financing Requirements and Prioritization of Proposals for Funding from the Global Fund” (GF/BM23/DP6).”

The budgetary implications of this decision are estimated at approximately US\$ 630,000 for professional fees to provide support, as needed, for the collecting and reporting on spending data for Counterpart Financing requirements. This amount is not included in the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Global Fund Commitment to Transparency

Decision Point GF/B23/DP24:

1. The Board reaffirms the Global Fund's strong and continuing commitment to the highest standards of transparency and accountability.
2. The Board further reaffirms the Global Fund's commitment to a fully independent and transparent Office of the Inspector General as set forth in the OIG Charter and Terms of Reference.
3. The Board looks forward to receiving the views of the High Level Independent Review Panel on Fiduciary Controls and Oversight Mechanisms on existing arrangements and its recommendations on ways to further improve the fiduciary controls and oversight within the Global Fund.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Exceptional Extension Funding Related to the Timing of the Approval of Round 11

Decision Point GF/B23/DP25:

1. Further to GF/B22/DP25 (“Measures Associated with Funding Proposals”), the Board notes the potential funding gaps faced by certain countries as a result of the decision of the Board to approve Round 11 proposals at the first Board meeting of 2012, instead of at the last Board meeting in 2011.
2. To mitigate the potential adverse impact on service delivery, the Board approves Exceptional Extension Funding to grants that reach the end of their Phase-2 terms under the Rounds Based or the Rolling Continuation funding channels on the basis of the policy contained in the Report of the Finance and Audit Committee GF/B23/6 Annex 1.
3. The Secretariat shall review Exceptional Extension Funding requests and provide a funding recommendation to the Board for approval under the “no objection” voting procedures set forth in Article 12 of the Board Operating Procedures.
4. If incremental funding is not required because there are sufficient funds remaining under the Expiring Grant to cover the Exceptional Extension Funding, the Board authorizes the Secretariat to approve the Request, on the same conditions and subject to the same limitations set out in this policy.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Approval of the Public Release of the Investigation Report on Mali Grants

Decision Point GF/B23/DP26:

The Board approves the public release of the redacted version of the OIG Report of Investigation of Mali Malaria (Round 4 and 7) and Tuberculosis (Round 1 and 6) (“the Restricted Report”), as set out in GF-OIG-11-002, and authorizes the Inspector General to make the Restricted Report publicly available on the OIG website.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Approval of 2010 Financial Statements

Decision Point GF/B23/DP27:

The Board approves the 2010 Financial Statements of the Global Fund which have been audited by Ernst & Young.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Communication of Losses and Recoveries arising from OIG Audits and Investigations

Decision Point GF/B23/DP28:

As outlined in GF/B23/DP24, the Board reiterates its full commitment to transparency, and to the independence of the Office of the Inspector General within the Global Fund. The Board recognizes the need to have clear, consistent and contextualized information regarding the status of losses identified from OIG audits and investigations, as well as the status of efforts to recover losses, which can then be made public.

Accordingly, the Board requests the Global Fund Secretariat and the OIG, under the oversight of FAC, to jointly publish before each regular scheduled meeting of the Board, a Losses & Recoveries Report (“Report”) containing background information and an updated table in the format outlined in Attachment 1 to GF/B23/6.

The Board requests the FAC to:

- Oversee the process to create/update this report and table.
- Ensure requests for clarifications are addressed to their satisfaction.
- Report to the Board on their oversight of this process.

The table shall only contain information on identified losses when:

- The principle of country ownership has been respected by notifying the Country Coordinating Mechanism (CCM) and the entities involved, of the details of the losses claimed, where they have been provided with appropriate time to respond, and this response is incorporated by the OIG in the publicly available reports.
- The details of losses identified have been submitted to the Global Fund Secretariat and comments have been considered by the OIG.
- The Global Fund’s Legal Counsel has made a determination that the Global Fund is entitled to make a claim for recovery against an entity based on the work of the OIG.
- These figures have been made public, i.e. the OIG has reported a number either through a specific public report or through the OIG Progress report to the Board which will also be made public, or the OIG has notified the FAC in writing.

The usefulness of the application of the Losses & Recoveries Report for information sharing and communication will be reviewed by FAC before the second Global Fund Board meeting of 2012.

The Board requests that the High Level Independent Review Panel on Fiduciary Controls and Oversight Mechanisms consider and provide guidance on the issues surrounding the use of a denominator to serve as a communication tool regarding the scale and evolution of losses in Global Fund supported programs, as part of their interim report.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Approval of the 2010 Annual Report

Decision Point GF/B23/DP29:

The Board approves the Annual Report as presented in GF/B23/16.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



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Outgoing Chair and Vice-Chair of the Board

Decision Point GF/B23/DP30:

The Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria expresses its deep appreciation to Dr. Tedros Adhanom Ghebreyesus for his leadership as Chair of the Board. He has served the Global Fund with a high degree of commitment and passion. During his tenure, Dr. Ghebreyesus has guided the Board to address significant challenges and to make important decisions for the future of the Global Fund. He has led with commitment and determination the development of a comprehensive reform agenda, which will lead to a more efficient and effective Global Fund.

The Board also expresses its sincere gratitude to Dr. Ernest Loevinsohn who has served with distinction as Vice-Chair. He has been instrumental in managing difficult issues and has played a significant role in coordinating important initiatives spearheaded by the Board leadership.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat