HOW TO READ THE CONSOLIDATED TRANSFORMATION PLAN ATTACHMENT 1

Six broad transformation areas were identified in consolidating the High Level Panel Recommendations, the Plan for Comprehensive Reform, the Q1 review and elements of the 2012 – 2016 Strategy: (1) Resource allocation, investment, results measurement and evaluation (2) Risk management (3) Grant management (4) Secretariat organization (5) Governance, and (6) Resource mobilization. The corresponding Comprehensive Transformation Plan Board paper (GF/B25/5) is structured along these six broad transformation areas and provides a description of the areas and its activities. Within each identified transformation area, a number of discrete projects have been developed and will be further defined to deliver on the recommendations.

The Global Fund Consolidated Transformation Plan Matrix (Attachment 1) provides a summary of the transformation plan and how each transformation area and project maps to both the High Level Panel recommendations and the Plan for Comprehensive Reform, which both operationally complement the 2012 – 2016 Strategy.

The Consolidated Transformation Plan matrix is divided into six sections that follow the main recommendations of the High Level Panel Report (*see page 60 of the High Level Panel Report: Turning the Page from Emergency to Sustainability*). Within each section there are eight columns that provide the following information:

1. **High Level Panel Recommendation (HLP Rec.):**
   This column lists the sub-recommendation which the project will address. This column makes reference to the High Level Panel Report: Turning the Page from Emergency to Sustainability; Recommendations (p.60 – 79).

2. **Transformation area/ Project name:**
   This column lists the transformation area and the name of the project(s) that will respond to the corresponding High Level Panel recommendation.

3. **Project Objective:**
   This column provides a high level description of what the projects aim to attain or accomplish.

4. **Project Leader:**
   This column lists the person(s) ultimately accountable for the deliverables.

5. **Project Deliverables:**
   This column lists the tangible achievement(s) that the project will contribute.

6. **Due Date:**
   This column provides the expected completion date of the listed project deliverables. For ease of reference, the number listed before the due date corresponds to the deliverable number in the previous column.

7. **HLP Recommendation/ "Annex S" Goal Reference:**
   This column lists the recommendation and goal that the project will address. This column makes reference to the High Level Panel Report: Turning the Page from Emergency to Sustainability; Annex S (p.150-154).

8. **Plan for Comprehensive Reform reference :**
   This column maps how each project relates to the Plan for Comprehensive Reform, which was approved at the 23rd Board meeting and has been incorporated into the Consolidated Transformation Plan. The degree to which the project maps to the Plan for Comprehensive Reform is grouped into two categories. Comprehensive Reform deliverables listed as "Fully Covers" refer to whose deliverables are covered in the Consolidated Transformation Plan project. Comprehensive Reform deliverables listed as "Contributes to" refer to items where the Consolidated Transformation Plan projects have overlaps in their objectives and expected impacts, but not in the specific deliverable.

To avoid duplication, High Level Panel recommendation 2.2 is included in project "Enhancing partnership work to improve grant implementation and mitigate risk" found on page 6 and High Level Panel recommendation 5.1 is included in project "Corporate risk management framework" on page 3.

1. TURN THE PAGE FROM EMERGENCY TO SUSTAINABLE RESPONSE

HLP Rec.	Transformation area / • Project Name	Project Objective	Project Deliverables	Due date	HLP Recommendation / "Annex S" Goal reference	Reform Agenda reference (PCR[1])
1.1 No Amnesty for Fraud, but Focus Oversight on More-Recent Rounds of Grants	**Grant management** • 1A - Develop codes of conduct for Global Fund stakeholders	Promote and ensure high standards of ethical behaviour among Global Fund stakeholders	1. Code of conduct for OIG staff and contractors 2. Code of conduct for PRs 3. Code of conduct for Global Fund secretariat staff 4. Post OIG audit questionnaires 5. Training programs	1. 11/11 2. 11/11 3. 11/11 4. 11/11 5. 06/12	• Rec. 1 - Goal 1: Create a set of clear, simple and practical basic standards in the rules of fiduciary documentation and ethical behaviour • Rec. 1 - Goal 2: Develop a mandatory, web-based (wherever feasible) training program in fiduciary documentation and ethical behaviour	Implicit but not specifically identified in the PCR report
1.2 Strengthen the Relationship between the Secretariat and the Inspector General	**Grant management** • 1B - Establish protocols and methods of work between the Global Fund Secretariat and the OIG	Ensure optimal processes are in place between the OIG and Secretariat at each stage of audits, investigations and the grant management process	1. Work processes protocol between the Secretariat and the OIG. In administrative matters, the OIG is subject to the same financial, travel, human resources, asset-management and other rules (including pay and classification) as the Secretariat and will remain so. Care must be taken in the application of the administrative rules to ensure they do not, even inadvertently, threaten the OIG's independence, especially as it concerns equality of service delivery related to: 1. Corporate procurement; 2. Delivery of Human Resources and Staffing Support services; 3 Administrative and Operational needs of the office; 4. Legal Services; and 5. Information Technology.	1. 11/11	• Rec. 1 - Goal 3: Establish protocols and methods of work between the Global Fund Secretariat and the OIG	Implicit but not specifically identified in the PCR report
	• 1C - Refine the scope and improve the timeliness of OIG reports	Refine the scope, content and timeliness of OIG reports	1. Improved quality and scope of audit and investigation reports (including focusing the work on the most recent rounds) 2. Improved timeliness of audit and investigation reports 3. Differentiated versions of audit and investigations reports 4. Audit and investigation reports include comments and feedback from Secretariat and country	1. Continuous 2. Continuous 3. 01/12 4. 01/12	• Rec. 1 - Goal 4: Enhance OIG report scope following Board decision on Recommendation 1 Goal 4 of the HLP report-Annex S • Rec. 1 - Goal 5: Improve the scope of the OIG's audits and the tone and size of its reports, including by creating written products differentiated by need and audience • Rec. 1 - Goal 6: Disclose as part of the OIG's reports all disagreements with management, and incorporate as part of the report's comments from the Global Fund's Board and Secretariat	Implicit but not specifically identified in the PCR report
	• 1D - Strengthen information provision to the Board on audit and investigations	Ensure better access to information on audits and investigations by Governance bodies	1. Regular progress reports 2. Regular updates to the Board on the follow-up and validation of recommendations	1. 11/11 2. 03/12[2]	• Rec. 1 - Goal 7: Present to the Global Fund's Board at regular intervals, report on follow-up to the OIG's recommendations, prepared by the Secretariat and validated by the OIG • Rec. 1 - Goal 8: Provide full briefings for the Audit Committee and the Global Fund's Board to make them fully aware of the extent of the audit and investigation activity of the grants program by the OIG and external auditors	Not specifically identified in the PCR report
	• 1E - Redefine the relationship with the	Improve the working relationship with UNDP	1. MOUs with UNDP 2. UNDP Audit reports seen and taken into account	1. 03/12 2. Continuous	• Rec. 1 - Goal 9: Redefine the relationship with UNDP to permit greater	Not specifically identified in the PCR report

[1] PCR: Plan for Comprehensive Reform
[2] First Audit and Ethics Committee

1. TURN THE PAGE FROM EMERGENCY TO SUSTAINABLE RESPONSE

HLP Rec.	Transformation area / • Project Name	Project Objective	Project Deliverables	Due date	HLP Recommendation / "Annex S" Goal reference	Reform Agenda reference (PCR[1])
	UNDP	to ensure greater accountability	in OIG reports 3. Joint UNDP/Global Fund audits and investigations	3. Continuous	accountability to and access by the Global Fund	

2. DECLARE A DOCTRINE OF RISK AND MANAGE TO IT

HLP Rec.	Transformation area / • Project Name	Project Objective	Project Deliverables	Due date	HLP Recommendation / "Annex S" Goal reference	Reform Agenda reference (PCR)
2.1 Adopt a New Risk-Management Framework	**Risk management** • 2A - Corporate Risk Management Framework	This project will lead to the development of a new risk management framework for the Global Fund. The application of this framework will result in a consistent approach and focus on risk management at the Board, Secretariat and the OIG	1. Recruitment of the Chief Risk Officer (CRO) 2. Development of the Categorization of Risk 3. Review and Update of the Current Corporate Risk Register 4. Development and Approval of the Revised Risk Management Framework and Risk Register 5. EMT Review of the Register (once per quarter) 6. Board/Committee Review at final Board Meeting of 2012	1. 12/11 2. 12/11 3. 12/11 4. 05/12 5. 03/06/ 09/12/2012 6. 09/12/2012	• Rec. 2 - Goal 1: This project will focus on the existing risk management framework and once the CRO is appointed, the project will shift to developing a new risk management framework • Rec. 2 - Goal 2: As part of the review of the existing framework and the development of the new framework, the categorization of risk will be addressed • Rec. 2 - Goal 11: The project will review the current risks and will involve the development of a new register. The CRO will be responsible for scheduling and overseeing the reviews of the register and for reporting to the relevant Governance Structures • Rec. 5 - Goal 1: The project will cover the appointment of the CRO	Contributes to: Deliverable 1.12
	• 2B - Operational Risk Management Framework	Develop an operational risk management framework that will provide FPMs and Country Teams with the tools to address operational risk management in a consistent manner and empower them to make the necessary decisions to facilitate grant management	1. Completion of the Qualitative Risk Assessment Tool 2. Completion of generic Risk Assessment Scope of Work 3. Interim process for prioritization of Risks and Development of Risk Management Plans 4. IT facilitation of pilot with selected countries(eg CTA) 5. Completion of the Grant Risk Model 6. Completion of revised Risk Assessment Scope of Work 7. Full set of processes for prioritization of risks and development and tracking against risk management plans 8. IT implementation for Risk Modelling and Assessment (Initial release) 9. Completion of Standard Operating Procedures for the oversight of operational risk 10. Agreement of risk-based approval and escalation framework aligned with Board and Senior Management guidance on risk tolerance 11. IT support for process segmentation and automation(Initial Release) 12. Completion of the Risk Mitigation Toolbox 13. Review efficiency and effectiveness of framework and update the tools and processes based on lessons learned	1. 01/12 2. 01/12 3. 01/12 4. 01/12 5. 07/12 6. 07/12 7. 07/12 8. 07/12 9. 05/12 10. 05/12 11. 12/12 12. 04/12 13. 04/13	• Rec. 2 - Goal 1: Development of the Operational Risk Management Framework, including process for reporting into Corporate Risk Management Framework • Rec. 2 - Goal 2: As part of the development of the new framework, the categorization of risk in relation to Operational Risk Management would be addressed	**Fully Covers:** Deliverables 1.1, 1.2 **Contributes to:** Deliverables 1.3 , 1.4, 1.6, 1.8, 1.9 , 1.10 , 1.12, 1.13, 1.14, 1.17 , 1.19, 1.22 , 4.8, 5.10
2.2 Redefine "Country Ownership"	This recommendation is covered by the following project (please refer to page 6): **Grant management** • 4C - Enhancing partnerships work to improve grant implementation and mitigate risk					

2. DECLARE A DOCTRINE OF RISK AND MANAGE TO IT

HLP Rec.	Transformation area / • Project Name	Project Objective	Project Deliverables	Due date	HLP Recommendation / "Annex S" Goal reference	Reform Agenda reference (PCR)
2.3 Apply the Risk-Management Framework to the Existing Portfolio Note: partially cover also 4.2 Apply Risk-Differentiated Grant Processes and Requirements	**Risk management** • 2C - Country Segmentation Matrix and application of differentiated safeguards	Categorize recipient countries into groupings by risk, capacity and burden through a formal matrix and begin to implement a differentiated approach to how resources are managed	1. Completion of initial segmentation of the portfolio 2. Completion of automated model for portfolio segmentation 3. Each Country Team to have an agreed LFA scope of work for 2012 that focuses on known risks in the portfolio 4. Introduction of new disbursement requirements and processes 5. Development of SOPs for grant negotiations linked to risk 6. Review by FAC of 2012 OIG Workplan	1. 11/11 2. 04/12 3. 01/12 4. 06/12 5. 06/12 6. 11/11	• Rec. 2 - Goal 4: The Global Fund needs to define a consistent and logical allocation of its Secretariat staff across countries to reflect the level of risk and complexity of the portfolio. • Rec. 2 - Goal 5: Apply differentiated safeguards to the different categories of countries, including for the management of sub-recipients • Rec. 2 - Goal 6: Focus inspection and audit resources in the area of highest risk • Rec. 2 - Goal 10: Identify work on mitigating other identified risk, including modifying the TORs and scope of work of LFAs • Rec. 4 - Goal 2: Apply risk-differentiated grant processes and requirements	**Contributes to:** Deliverables 1.1, 1.3, 1.13, 4.2, 4.6, 4.7, 4.8, 5.4 , 5.6 , 5.8
	Grant management • 2D - Improved Grant Management - Processes	The project will see the Secretariat bridge a number of gaps – and thus mitigate a number of risks – in its policies, approaches (e.g. communication with countries), structures (e.g. LFAs, external auditors, CCMs), processes (e.g. disbursements), and systems (e.g. automation). The project will lead to better systematized and streamlined processes, better quality and consistency in grant-management deliverables and better dissemination and generalization of best practices	1. Fully functioning Quality Team 2. Standard Operating Procedures (SOPs) developed for all key Global Fund processes (80 SOPs) 3. Automated process in place to allow seamless use of SOPs by FPMs and POs 4. Partly (Secretariat portion) automated disbursement process (Initial Release) 5. Fully automated disbursement process (including for PRs and LFAs) 6. Fully functioning automated grant-management tool allowing the planning and tracking of key grant milestones and actions(Initial Release) 7. Streamlined grant renewals through Periodic Reviews 8. Significantly improved filing system for grant documentation, including key secretariat-country communications(Initial Release) 9. Communications Protocol approved by the Secretariat 10. Training modules developed 11. Clear set of minimum standards at CCM, PR and SR levels defined and formalized 12. Pilot: five weak CCMs delivering significantly improved program oversight 13. Formalization of lessons learned, and roll-out of improvement plan to a further CCMs	1. 02/12 2. 07/12 3. 12/12 4. 07/12 5. 12/13 6. 12/12 7. 12/11 8. 12/12 9. 11/11 10. 03/11 11. 03/11 12. 03/12 13. 12/12	• Rec. 2 - Goal 10: "Intensify work on mitigating other identified risks". Under this recommendation, the project focuses on addressing gaps in the Global Fund's grant-making processes – which are often the underlying causes of heightened risks. • Rec. 5 - Goal 6: Improved communications between all Global Fund actors • Rec. 2 - Goal 3: Improving the effectiveness of CCMs • Rec. 1 - Goal 1, Rec. 6 - Goal 1, Rec. 2 - Goal 7, Goal 8 and Goal 9: Improving the effectiveness of PRs and SRs (alongside CCMs) "Create a set of clear, simple and practical basic standards in the rules of fiduciary documentation and ethical behaviour". • Rec. 5 - Goal 2 and Goal 4, Rec. 1 - Goal 2, Rec. 2 - Goal 3	**Fully covers:** Deliverables 1.13, 4.2, 5.10, 5.22, 6.8 **Contributes to:** Deliverables 1.5, 1.6 , 1.8, 1.9 , 1.11, 1.12, 1.14 , 1.15, 1.16, 1.18, 1.19 , 1.20, 1.22, 1.23, 1.24, 1.25, 1.26 , 1.27 , 1.28, 1.29, 1.30, 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 4.3, 4.8, 4.10, 5.9, 5.25

3. STRENGTHEN INTERNAL GOVERNANCE

HLP Rec.	Transformation area / • Project Name	Project Objective	Project Deliverables	Due date	HLP Recommendation / "Annex S" Goal reference	Reform Agenda reference (PCR)
3.1 Focus the Global Fund's Board on Management, Strategy and Risk-Management	Governance • 3A - Identify the Role of the Board	Ensure clarity in the purpose and role of the Board at Board level, and ensure alignment of the Global Fund's governance entities to that purpose and role	1. Re-state and more clearly articulate the role of the Board, according to clear functions that are collated according to best practice 2. Develop a revised Board structure that aligns each of the Board's key functions to the Board role framework 3. Develop and introduce recommended minimum competencies and role descriptions for Board Members, Alternate Members and Communication Focal Points	1. 11/2011[3] 2. 11/2011[3] 3. 11/2011[3]	• Rec. 3 - Goal 1: Make more time on the Board's agenda to focus on its core roles of policy-setting, evaluation management, strategy and risk-management, and the essential element of improved financial control and fiduciary oversight.	**Contributes to:** Deliverables 7.1a , 7.1b, 7.1c
	• 3B - Refining the role and structure of core advisory functions, assessing Board composition and strengthening implementer engagement in the governance framework	Ensure that the Board has access to optimally purposed advisory functions, and review and adjust Board composition to achieve optimal engagement of key stakeholders	1. A comprehensive set of recommendations on the optimal role of the Board's key advisory bodies (Technical Review Panel, Partnership Forum, Technical Review Panel, amongst others) arising from Board Vice-Chair led constituency consultations 2. Re-stated Terms of Reference/Charters for those advisory bodies where the mandate or scope of work has been determined by the Board to require change. 3. Potential transformation of the donor and implementer 'bloc' Board configuration to a model that differentiates Board participation beyond the "donating money" and "implementing grants" existing framework 4. Developing and implementing a strategy for improving implementer engagement in the overall Global Fund governance framework, including a focus on cross-constituency collaboration	1. 04/2012 2. 05/2012 3. 05/2012 4. 05/2012	• Not included	As above
3.2 Re-purpose the Committees	Governance • 3C - Define an appropriate Committee structure and membership framework to strengthen committee participation and performance	Deliver a committee structure, with clear functions and roles, to facilitate the Board being able to operate at the right altitude and focus on its key roles of strategy setting, risk management and fiduciary oversight, and more routine evaluation of management	1. Replace the existing 4 standing committees with 3 re-purposed committees 2. Develop a clear 'Charter' for each committee to more clearly define its role within the governance framework, aligned to the newly identified 'Board Role' 3. Move the committee nomination and selection process to a more competency-based model through agreed minimum competencies 4. Strengthen committee leadership by the introduction of neutral committee Chairs and Vice-Chairs that are selected by the Board leadership 5. Ensure integration of the mandates of ad-hoc committees into the new committee structure to ensure optimal alignment with strategic direction	1. 09/2011 2. 11/2011[3] 3. 11/2011[3] 4. 11/2011[3] 5. 11/2011[3]	• Rec. 3 - Goal 2: As stated in column "HLP Recommendation"	As above
3.3 Create an Executive Staff to Support the Global Fund's Board	Governance • 3D - Improve Board and Committee self-governance, strategic leadership on risk-interdependencies, and administrative	Ensure that the Board and Committees have access to an optimal self-management framework that enhances inter-session coordination and	1. Establish a Board "Coordinating Group" with defined roles and responsibilities 2. Develop and implement a revised business plan for optimal Board and Committee secretariat support under the new committee structure, with appropriate staffing 3. Design and implement an induction and	1. 09/2011 2. 03/2012 3. 02/2012	• Rec. 3 - Goal 3: As stated in column "HLP Recommendation" • Rec. 3 - Goal 4: Prepare and publish a simple, practical handbook to guide Board members on their roles, and on how the Global Fund Board conducts its business	As above

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[3] All deliverables will be proposed in a decision point presented to the Twenty-Fifth Board

3. STRENGTHEN INTERNAL GOVERNANCE

HLP Rec.	Transformation area / • Project Name	Project Objective	Project Deliverables	Due date	HLP Recommendation / "Annex S" Goal reference	Reform Agenda reference (PCR)
	management	increased awareness and management of strategic issues as defined by the Board	continuous self-development program for the Board and its committees			

4. STREAMLINE THE GRANT-APPROVAL PROCESS

HLP Rec.	Transformation area / • Project Name	Project Objective	Project Deliverables	Due date	HLP Recommendation / "Annex S" Goal reference	Reform Agenda reference (PCR)
4.1 Institute a Two-Stage Grant Process	**Resource allocation, investment, results measurement and evaluation** • 4A - Early launch of elements of a 2-stage application approach through Round 11 (incl. NSA and HSFP)	To increase the efficiency and effectiveness of the grant application and approval process by modifying the current process in the near-term as a step towards the future model	1. Proposal to Board on modification to Round 11 application, renewal and approval processes 2. Application materials to countries, partners and Country Teams to supplement the already released, streamlined R11, NSA Second Wave and HSFP forms and guidelines (new templates, guidelines, etc.), updated TORs for TRP, partners, LFAs, etc. 3. Iterative review model rolled out in conjunction with various stakeholders; 4. Targeted investment decisions; 5. Synthesis of lessons	1. 12/11 2. 03/12 3. 05/13 4. 05/13 5. 05/13	• Rec. 4 - Goal 1: The project has an intermediate step in transitioning towards the new Two-Stage Grant Approval Process. Round 11, NSA Second Wave and HSFP (already launched but delayed) provide an early opportunity for transitioning towards the future model. This project (subject to Board approval at the 25th Board meeting) will accelerate implementation of aspects of the two-stage application model.	**Fully Covers:** Deliverable 3.1 **Contributes to:** Deliverables 2.5, 3.3, 3.4, 3.5, 3.7, 3.10, 3.11, 3.12
4.1 Institute a Two-Stage Grant Process <u>Note</u>: also partially covers 4.2 Apply Risk-Differentiated Grant Processes and Requirements	**Resource allocation, investment, results measurement and evaluation** • 4B - Design and roll out two stage application/approval model	To increase the efficiency and effectiveness of the grant application and approval process and allow the Global Fund to invest more strategically: **Sub-project 1** Design and institute more flexible and predictable funding allocation **Sub-project 2** Design and roll out two stage application/approval model	**Sub-project 1** 1. Options on allocation methodology and proposed allocation for SII Committee 2. Proposal to SII Committee 3. Proposal to Board 4. Communication materials to countries and partners **Sub-project 2** 5. Pre-proposal and full proposal forms, guidelines and process designed 6. Updated TORs for TRP, role definition and training for partners, Country Teams, LFAs, etc.) 7. TRP Recruitment 8. Lessons learned report 9. Post-launch support to countries, partners and Country Teams	1. 06/12 2. 4Q 2012 Board Meeting 3. 4Q 2012 Board Meeting 4. 1Q 2013 5. 12/12[4] 6. 09/12[4] 7. 12/12[4] 8. 12/12[4] 9. 4Q 2013[4]	• Rec. 4 - Goal 1: The project has the full roll-out of the new Two-Stage Grant Approval Process. The overall model principles are consistent across HLP and GF Strategy 2012-2016 subject to some differences at the detail level. • Rec. 4 - Goal 2: Design funding allocation involves a new, more predictable, risk informed approach to allocation of resources, and requires re-alignment with the Comprehensive Funding Policy.	**Fully Covers:** Deliverable 4.18 **Contributes to:** Deliverables 3.3, 3.4, 3.5 , 3.7, 3.10, 3.11 , 3.12
4.1 Institute a Two-Stage Grant Process **4.2 Apply Risk-Differentiated Grant Processes and Requirements**	**Grant management** • 4C - Enhancing partnerships work to improve grant implementation and mitigate risk	To proactively engage partners to ensure mutual accountability for and a coherent approach to grant implementation and risk mitigation. **Sub-project 1:** Develop a clear definition of Country Ownership in the context of the Global Funds risk management framework. **Sub-project 2:** In collaboration with the CCM, develop or strengthen Partner arrangements at country level to ensure sustainability of Global	**Sub-project 1:** 1. New definition of country ownership approved by EMT and board **Sub-project 2:** 2. Country specific partner's arrangements (CPA) in place in 5 pilot countries to enhance shared responsibly among partners including national governments for Global Fund grants. 3. Co-investment country specific plans of action for 3 key countries developed. **Sub-project 3:** 4. Analysis of partner engagement in TA/CB (including partners at country, regional and global level) completed in collaboration with technical partners 5. TA/CB plans developed for 5 pilot countries which clearly define the roles and responsibilities of all partners 6. A review of how to make better use of existing funding flexibilities at country level in order to ensure TA/CB plans are fully funded completed	1. 03/12 2. 06/12 3. 06/12 4. 03/12 5. 06/12 6. 03/12 7. 08/12	• Rec. 2 - Goal 3: Re-define country ownership • Rec. 4 - Goal 1: Institute 2-stage Grant Process • Rec. 4 - Goal 2: Apply risk-differentiated grant processes and requirements: • Rec. 6 - Goal 2: Focus on quality and value rather than quantity This project will ensure more proactive partnership engagement at country level in order to leverage greater mutual accountability among all stakeholders for risk mitigation and grant implementation. Elements of the project include the development of a new definition of country ownership capturing the importance of multi-stakeholder involvement	**Fully Covers:** Deliverable 6.1 **Contributes to:** Deliverables 3.1, 3.3, 4.1, 6.2, 6.3, 6.4

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[4] Timing is subject to future Board decisions

4. STREAMLINE THE GRANT-APPROVAL PROCESS

HLP Rec.	Transformation area / • Project Name	Project Objective	Project Deliverables	Due date	HLP Recommendation / "Annex S" Goal reference	Reform Agenda reference (PCR)
		Fund grants and improve co-investment. **Sub-project 3:** In collaboration with UN, bilateral, private and civil society technical partners, develop joint plans to support technical assistance and capacity building (TA/CB) to improve grant implementation.	7. A framework for capacity building to includes funding for MARPS developed and tested			

5. EMPOWER MIDDLE-MANAGEMENT'S DECISION-MAKING

HLP Rec.	Transformation area / • Project Name	Project Objective	Project Deliverables	Due date	HLP Recommendation / "Annex S" Goal reference	Reform Agenda reference (PCR)
5.1 Establish a Chief Risk Officer	This recommendation is covered by the following project (please refer to page 3): **Risk management** • 2A - Corporate Risk Management Framework					
5.2 Align the Staffing Pattern to Bolster Grant-Management	**Grant management** • 5E - Workforce Alignment	Secretariat workforce aligned to grant management	1. High-risk countries identified for 100% FPM coverage in Country Teams. Pilot revised CTA concept 2. Staff identified and reassigned to Country Teams 3. Organizational model and staffing requirements (based on risk stratification matrix) established for grant management and direct supporting activities 4. Lean organizational management models established for non-grant related and corporate functions 5. Increased staffing flexibility and knowledge base for workforce alignment established 6. Workforce architecture and organizational blueprint for realignment established 7. Process for alignment established and communicated 8. Secretariat's workforce fully realigned to bolster grant management	1. 11/11 2. 11/11 3. 04/12 4. 04/12 5. 04/12 6. 04/12 7. 06/12 8. 04/13	• Rec. 5 - Goal 2: Aligning the Secretariat's workforce to bolster grant management, including immediate strengthening of CTAs, while ensuring efficient related activities.	**Contributes to:** Deliverable 5.9
Note: also partially covers 5.4 Streamline and Expand the Country Teams	**Secretariat organization** • 7C - Human Resource Review	Ensure an attractive employment value proposition to attract, retain, and effectively deploy quality talented staff	1. The Global Fund's HR Strategy and Policy Framework 2. Near-term Implementation Plan and time line 3. Performance Management and Pay for Performance Model 4. Rewards Program 5. New 9 HR Procedures 6. New HR functions, roles and structure 7. Operational Training programs 8. Organizational changes rolled out, including rotation of staff within Country Programs	1. 11/11 2. 11/11 3. 11/11 4. 11/11 5. 11/11 6. 05/12 7. 05/12 8. 12/12	• Rec. 5 - Goal 2: Align the staffing pattern of the Secretariat to bolster grant management. • Rec. 5 - Goal 4: Streamline and expand the Country Teams	**Fully Covers:** Deliverable 5.2
5.3 Empower the Fund Portfolio Managers **5.4 Streamline and Expand the Country Teams**	**Grant management** • 5A - Improved Grant Management - Organization and Structure	This project will strengthen grant management by: • Empowering Fund Portfolio Managers (FPMs) • Streamlining and expanding Country Teams across the portfolio in line with the risk management framework	1. Updated ToRs of Country Team members 2. Updated Decision making framework for FPMs and country teams 3. Framework for rotation and professional development 4. Definition of the accountability of country team members and performance expectations 5. Additional CTA countries identified and required staff assigned 6. CTA expansion based on risk factors and resource requirements 7. Tailored scope of work for LFAs for expanded CTA portfolio 8. Increase of number of countries managed under CTA	1. 02/12 2. 02/12 3. 02/12 4. 02/12 5. 11/11 6. 12/11 7. 01/12 8. 02/12	• Rec. 5 - Goal 3: The project will outline a decision-making framework for FPMs/ Country Teams in the context of expanding Country Teams with focus on active problem-solving, reasonable judgement, decreased bureaucracy and engaged communications. • Rec. 5 - Goal 4: The project will identify and define options for streamlining and expanding the Country Teams across the portfolio in line with the risk management framework.	**Fully Covers:** Deliverables 4.7 , 5.4, 5.6, 5.8 **Contributes to:** Deliverables 1.16, 4.14,
5.5 Reinforce the Executive Management Team	**Secretariat organization** • 5D - Reinforce the Executive Management Team	Improve the leadership skills of EMT members individually and the collective effectiveness of the team	1. Approved Executive Management Team terms of reference, operating procedures, and terms of reference for the Executive Management Team support staff 2. Individual assessment of EMT members by independent consultants 3. Coaching and personal training sessions for EMT	1. 11/11 2. 12/11 3. 04/12 4. 06/12	• Rec. 5 - Goal 5: Draw up Terms of Reference for the Executive Management Team supported by practical guidelines to reflect its enhanced role and functions as the primary decision making body of the Secretariat	NOT APPLICABLE

5. EMPOWER MIDDLE-MANAGEMENT'S DECISION-MAKING

HLP Rec.	Transformation area / • Project Name	Project Objective	Project Deliverables	Due date	HLP Recommendation / "Annex S" Goal reference	Reform Agenda reference (PCR)
			members to improve management and leadership skills following the assessment 4. Collective assessment of the EMT by independent consultants			
5.6 Leverage the Investment in the Local Fund Agents	**Grant management** • 5B - Leverage the Investments in LFAs	Leveraging investments in LFAs by tailoring LFA service delivery to key portfolio risks	1. New model for procurement of LFA services 2. Analysis of LFA resource allocation and costs for minimum five additional CTA countries to be identified 3. LFA resourcing for all CTA portfolios 4. Each CT tailored to key portfolio risks 5. Set updated minimum requirements for LFA experts 6. Revise LFA tools based on the new risk management framework 7. Revise ToRs for interactions between LFAs and external auditors 8. Revise in-country communications protocols involving all partners. 9. Training needs identified and events developed 10. New LFA contract formats for greater transparency of costs	1. 12/11 2. 12/11 3. Ongoing 4. 01/12 5. 12/11 6. 11/12 7. 12/11 8. 06/12 9. 01/12 10. 10/12	• Rec. 5 - Goal 6: The project will develop options for tailoring LFA services in line with risk stratification and leveraging the investments in LFAs	**Fully Covers:** Deliverables 1.13, 1.21, 1.22, 1.23, 1.24, 1.25, 1.27, 1.28, 1.29, 1.30, 1.31 **Contributes to:** Deliverables 1.1, 1.2, 1.3, 1.7, 1.10, 1.14, 1.26, 2.1, 2.4, 2.11, 4.3, 4.6, 4.7
5.7 Define and Clarify the Role and Responsibilities of External Auditors	**Risk management** • 5C - Define Responsibilities of External Auditors	Define revised scope of reviews and responsibilities of external auditors, strengthen audit arrangements at PR and SR level and outline role of LFAs	1. Revised ToRs for external audits of PRs 2. Revised Guidelines for SR audits 3. Revised ToRs for external audits of PRs developed 4. Revised scope of LFA work with external auditors and whenever applicable with national audit institutions to include requirement for structured interactions 5. Set of minimum standards for the scope-of-work for external auditors for PRs submitted to Audit Committee	1. 01/12 2. 01/12 3. 01/12 4. 01/12 5. TBD[5]	• Rec. 5 - Goal 7: Define revised scope of reviews and responsibilities of external auditors, strengthen audit arrangements at PR and SR level and outline role of LFAs	**Contributes to:** Deliverables 1.4, 1.5 , 1.6, 1.9, 1.11, 1.12, 1.17

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[5] Upon establishment of the Board Audit Committee, submission of the set of minimum standards for the scope-of-work for external auditors of PRs

6. GET SERIOUS ABOUT RESULTS

HLP Rec.	Transformation area / • Project Name	Project Objective	Project Deliverables	Due date	HLP Recommendation / "Annex S" Goal reference	Reform Agenda reference (PCR)
6.1 Measure Outcomes, Not Inputs	**Resource allocation, investment, results measurement and evaluation** • 6B - Improve and link financial reporting framework to Global Fund services and investments	To align grant budgets with key service delivery areas and enhanced financial reporting system in order to more precisely measure results achieved through Global Fund investments	1. Revised guidance to Principal Recipients and Sub-recipients on financial reporting against a selected number of service delivery areas, while ensuring alignment with country reporting systems and harmonization with technical partners 2. Roll out of new reporting system to countries, 3. IT solution linking budgets to expenditure (initial release) 4. New Results framework for corporate reporting by disease, for end 2012 Results	1. 06/12 2. 12/12 3. 12/12 4. 03/13	• Rec. 6 - Goal 1: This project will define key service delivery areas (SDAs) and interventions that need to be tracked against investments and examine the alignment of the enhanced financial reporting system of the Global Fund to grant budgets	**Fully Covers:** Deliverable 4.13 **Contributes to:** Deliverables 1.5, 2.3, 5.23
6.1 Measure Outcomes, Not Inputs **6.2 Focus on Quality and Value, Rather than Quantity**	**Resource allocation, investment, results measurement and evaluation** • 6A - Improve results reporting, strengthen data management systems, and focus on quality	To improve results measurement and by strengthening Performance Frameworks, improving data quality of data strengthening country M&E systems, and evaluating the effectiveness, quality and impact of programs.	1. Report on suitability of targets in grants, and appropriateness of indicators to disease epidemiology and program design 2. New guidance on Performance Frameworks for Global Fund grants that reflects the iterative dialogue process with countries and technical partners 3. New M&E Toolkit under development in collaboration with partners introduced 4. Data quality assessed in 15 high risk countries. 5. New data governance system introduced in Secretariat to provide oversight and assurance on quality and consistency 6. Global Fund Evaluation Strategy approved by the Board	1. 03/12 2. 03/12 3. 12/11 4. 12/12 5. 03/12 6. 12/11	• Rec. 6 - Goal 1: This project will systematically build in evaluations into program design and reviews, with a focus on outcomes and impact • Rec. 6 - Goal 2: The project will also focus on quality of programming and accelerate the implementation of data quality enhancement measures as part of M&E systems strengthening	**Fully Covers:** Deliverables 2.4, 4.6, 4.11, 5.21
	• 6C - Focus Performance-based funding (PBF) on outcomes and impact to improve strategic investments	To enhance the focus of performance based funding decisions on impact, thereby improving strategic investments, reprogramming flexibilities throughout the grant lifecycle and counterpart financing	1. Revised PBF policy to emphasize impact in consultation with partners 2. Improved performance report to TRP, and review of TRP policy guidance to inform iterative process and dialogue with partners 3. Assess outcome reporting gaps and policy to address them, including investments with partners in capacity gaps 4. Revised corporate KPI framework, with strong accountability on delivery of PBF, approved by the 26th Board and in consultation with partners 5. New operational guidance to accelerate application of enhanced PBF at periodic reviews including improved scope and flexibility for reprogramming and counterpart financing	1. 05/12 2. 06/12 3. 09/12 4. 06/12 5. 09/12	• Rec. 6 - Goal 1 and Goal 2: This project will enhance measurement and PBF at key grant stages to link investment decisions and KPIs to outcome/impact	**Fully Covers:** Deliverables 3.12, 4.14 **Contributes to:** Deliverables 2.6, 4.4, 5.24
	• 6D - Improved value for money in strategic investment decisions	To consistently seek value for money in strategic investment decisions	1. Introduce value for money framework throughout grant life-cycle 2. Implement Market Dynamics Strategy for selected products 3. Options for improving programmatic-financial linkages and integration of unit cost per service indicators developed for three to five key services 4. Necessary revisions to grant reporting requirements, templates, guidance, and IT systems 5. Enhanced partner databases on disease program spending for assessing compliance with counterpart financing policy	1. 03/12 2. 03/12 3. 05/12 4. 09/12 5. 12/12	• Rec. 6 - Goal 2: This project will improve linkage of program and cost data, including a method for defining cost per service or cost per person treated/served for key interventions and SDAs	**Fully Covers:** Deliverables 2.1, 2.3 **Contributes to:** Deliverable 2.6

6. GET SERIOUS ABOUT RESULTS

HLP Rec.	Transformation area / • Project Name	Project Objective	Project Deliverables	Due date	HLP Recommendation / "Annex S" Goal reference	Reform Agenda reference (PCR)
6.3 Consolidate the Reform Agenda	Secretariat organization • 7E - Implement The Global Fund Consolidated Transformation Plan	Coordinate the work streams, ensure proper resources allocation, monitor progress and manage for benefit realization	1. Program Management office set up and running 2. Communication Plan 3. Consolidated Transformation Plan Monitoring & Evaluation framework 4. Periodical progress Status Reports	1. 12/11 2. 12/11 3. 01/12 4. 03/06/09/ 12/2012	• Rec. 6 - Goal 3: Coordinate the work streams from the Comprehensive Working Group, More Effective and Efficient Global Fund, High-Level Panel and strategy-development process into a single, revised Consolidated Reform Plan	NOT APPLICABLE
	• 7D - Develop implementation plan for the Global Fund 2012-2016 Strategy	To detail actions and resources needed to implement the strategic objectives in the new Global Fund strategy	1. Integrated implementation plan for all strategic actions, with activities, timeline and responsibilities identified, along with linkage with other projects in the Consolidated Transformation Plan 2. Through partner collaboration, a system for on-going monitoring, and the provision of appropriate guidance and training modules is in place to ensure the 2012-2016 Strategy and Consolidated Transformation Plan implementation Plans institutionalise a human rights-based approach to the Funds work	1. 06/12 2. 05/12	• Rec. 6 - Goal 3: Coordinate the work streams from the Comprehensive Working Group, More Effective and Efficient Global Fund, High-Level Panel and strategy-development process into a single, revised Consolidated Reform Plan	Fully Covers: Deliverable 4.1
	• 7A - Create a cohesive corporate culture	To create a cohesive corporate culture and identity with behaviours based on aspired values, to share a clear vision of the organizational mission	1. Workshop designs completed 2. Baseline survey conducted 3. Workshops completed to all clusters including OIG and OED 4. Follow up surveys conducted	1. 12/11 2. 12/11 3. 02/12 4. 08/12	• Rec. 6 - Goal 3: Coordinate the work streams from the Comprehensive Working Group, More Effective and Efficient Global Fund, High-Level Panel and strategy-development process into a single, revised Consolidated Reform Plan	Contributes to: Deliverable 5.3
	• 7B - IT Unit Reorganization	To create an IT Unit that provides technology services in alignment with the transformational program	1. IT structure definition 2. Governance model 3. Delivery model designed 4. Transformed delivery model delivered	1. 11/11 2. 11/11 3. 03/12 4. 06/12	• Rec. 6 - Goal 3: Coordinate the work streams from the Comprehensive Working Group, More Effective and Efficient Global Fund, High-Level Panel and strategy-development process into a single, revised Consolidated Reform Plan	NOT APPLICABLE
	Resource mobilization • 7F - Review of Replenishment Mechanism	Re-examine the Global Fund's current funding model as regards predictability, timing and duration of commitments and contributions and how they mesh with Global Fund disbursement obligations, support overall sustainability of Global Fund supported programs and respect Global Fund founding principles	1. Replenishment mechanism analysis identifying problems and developing options for resolution 2. Enhanced replenishment mechanism agreed by Board	1. 02/12 2. 07/12	Direct link to key HLP theme of sustainability in a time of austerity. The project will examine how the current replenishment mechanism has served the Global Fund to date. Particular emphasis will be on its suitability to an environment of constrained donor resources and its sustainability over several replenishment periods. It will build on the work of the Comprehensive Funding Policy Working Group, a further review of Multilateral Development Bank replenishment mechanisms and early experience with the MYCA (Multi-Year Contribution Agreement) instrument	Fully Covers: Deliverable 8.2 Contributes to: Deliverable 8.1