

**STRATEGY, INVESTMENT, AND IMPACT COMMITTEE
DECISIONS AND RECOMMENDATIONS TO THE BOARD**

PURPOSE:

1. This report serves to inform the Board about the decisions taken by the Strategy, Investment, and Impact Committee (SIIC) since the May 2012 Board Meeting in accordance with its Charter.

PART 1: INTRODUCTION

1.1 Since the Twenty-Sixth Board Meeting in May 2012, the Strategy, Investment, and Impact Committee (SIIC) has met twice, in July and August 2012. Todd Summers (Private Foundations) and Shaun Mellors (Communities) serve as Chair and Vice-Chair of the Committee.

This report presents to the Board the decisions taken by the SIIC from May to September 2012 in accordance with its Charter ¹. The paper is divided as follows:

Part 2: Decisions taken by SIIC pursuant to its delegated authority

- i. *Market Dynamics Advisory Group (MDAG)*: Appointment of Chair and Vice-Chair
- ii. *Technical Review Panel (TRP)*: TRP Recommendation Categories for Transitional Funding Mechanism

Part 3: Decisions recommended to the Board under separate cover.

1.2 All background documents that formed the basis of SIIC decisions and other deliberations may be accessed by persons with access to the Governance Extranet <http://extranet.theglobalfund.org/board/default.aspx>.

PART 2: DECISIONS TAKEN BY THE SIIC PURSUANT TO ITS DELEGATED AUTHORITY

Market Dynamics Advisory Group

2.1 The members of the Market Dynamics Advisory Group (MDAG) were appointed at the second meeting of the SIIC in March 2012, after which expressions of interest for the positions of Chair and Vice-Chair were solicited from the MDAG members themselves. Following this, Prashant Yadav and Oliver Sabot were appointed as Chair and Vice-Chair of the MDAG respectively in May 2012 (SIICo3/DP1).

SIICo3/DP1: Leadership of the Market Dynamics Advisory Group

The SIIC approves Dr. Prashant Yadav and Oliver Sabot as Chair and Vice-Chair, respectively, of the Market Dynamics Advisory Group (MDAG) for a two year term, consistent with the term of the members of MDAG appointed by the SIIC at its 2nd Meeting in March 2012.

2.2 Under the leadership of the new Chair and Vice-Chair, and with the participation of the Chair of SIIC, the MDAG held its first meeting in Geneva on 27-28 June 2012, and an update on the meeting outcomes was presented to the 3rd SIIC Meeting in July 2012 by the Vice-Chair Oliver Sabot. He stressed the role of MDAG in identifying efficiencies for Global Fund

¹ The SIIC Charter and other core governance documents are available at the following link: <http://www.theglobalfund.org/en/about/structures/board/>

resources, including with respect to issues under discussion as part of the current development of a new funding model for the Global Fund.

MDAG's Working Group on the Affordable Medicine Facility-Malaria (AMFm)

2.3 The MDAG Working Group on AMFm has met twice since the May Board - on 5-6 June 2012 and again on 7-8 August, and the Chair, Alan Court, attended both the Third and Fourth SIIC meetings in July and August respectively, to provide the Committee with updates on the AMFm Working Group's activities.

Technical Review Panel (TRP)

2.4 At its Twenty-Fifth Meeting, the Board established the Transitional Funding Mechanism (TFM) and decided that the TRP would review and make funding recommendations on each application². The purpose of the TFM is to fund essential prevention, treatment and care services currently supported by the Global Fund that would otherwise face disruption.

2.5 At the second SIIC meeting on 27-28 March 2012, the TRP Chair had presented the current thinking on TRP funding recommendation outcome categories³, with a request that flexibility be granted to adjust TRP recommendation categories and corresponding timelines for the TRP clarifications process. On 6 June, under its mandate to approve and/or modify the Terms of Reference for the TRP⁴, the SIIC approved Decision Point SIICo3/ER1 granting flexibility to the TRP to adjust TRP recommendation outcome categories for the TFM.

SIICo3/DP2: TRP Recommendation Categories for Transitional Funding Mechanism

The SIIC decides to grant flexibility to the Technical Review Panel (TRP) to adjust the TRP recommendation categories, as appropriate, to address the specificities of Transitional Funding Mechanism (TFM) applications. The adjusted recommendation categories will be presented for endorsement together with TRP's funding recommendations for TFM applications.

PART 3: DECISIONS RECOMMENDED TO THE BOARD

AMFm Update: Transition Options

3.1 The Secretariat presented a paper to the Fourth SIIC meeting noting that AMFm Phase 1 will end on 31 December 2012, and proposing the continuation of the current arrangement during a twelve-month period to support an orderly transition towards implementing the outcome of the decision at the Twenty-Eighth Board Meeting in November 2012 to expand, accelerate, modify, terminate or suspend the AMFm business line. See GF/B27/6 for further details of options proposed by the AMFm Working Group for decision by the Board in November 2012.

² Decision Point GF/B25/DP16 « Annex 2 »

³ Please refer to the presentation of the TRP Chair "Update from the TRP", GF/SIICo2/04

⁴ Charter of the SIIC, B 2.1.c.

Options on Evolving the Funding Model

3.2 Options for revisions to the current Global Fund funding model were presented by the Secretariat to the 3rd (July 2012) and 4th (August 2012) SIIC meetings. SIIC recommendations will be presented in GF/B27/4 “New Funding Model Options”.