



Thirty-Second Board Meeting
**Strategy, Investment, and
Impact Committee
Decisions and
Recommendations to the Board**

The Global Fund Thirty-Second Board Meeting**GF/B32/27****Board Information****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 and activities of the Strategy, Investment, and Impact Committee (“SIIC”), in accordance with its Charter, since the Thirty-First Board Meeting in March 2014.

INTRODUCTION

1. This report provides a record of the decisions approved by the Strategy, Investment, and Impact Committee (“SIIC”) for recommendation to the Board, decisions taken by the Committee under its delegated authority according to its Charter and previous Board decisions, and an overview of items discussed under the Committee’s oversight. For a more detailed account of committee deliberations, governance officials are invited to read the SIIC Chair’s Meeting Reports.
2. Since the Thirty-First Board meeting in March 2014, the SIIC has met twice, in addition to holding its first ever Retreat which took place in June. David Stevenson and Anita Asimwe serve as Chair and Vice-Chair of the committee respectively.
3. The meetings took place as follows:
 - a. 1st SIIC Retreat: 23 June 2014 at the Movenpick Hotel in Geneva, followed by an induction program delivered to members of all three committees of the Board.
 - b. 12th SIIC Meeting: 25-26 June 2014 at the Movenpick Hotel in Geneva.
 - c. 13th SIIC Meeting: 7-9 October at the Global Fund Secretariat in Geneva.
4. For an exhaustive account of committee deliberations, governance officials are invited to read the Committee Member Reports of SIIC Meetings, available on the Board Effect platform. In addition, the SIIC presented its End of Term Report 2012-2014 to the Board in May 2014, providing a full account of SIIC activities and reflections during the first term of the committee.¹

The report is divided as follows:

- Part 1: Decisions recommended to the Board
- Part 2: Decisions taken by SIIC pursuant to its delegated authority
- Part 3: Matters addressed by SIIC as part of its oversight and advisory functions in accordance with its Charter
- Part 4: Decisions recommended by SIIC and approved by the Board via electronic vote

¹ Document GF/B31/ER11

PART 1: DECISIONS RECOMMENDED TO THE BOARD

Market Dynamics Advisory Group (MDAG)

5. At the 12th SIIC Meeting in June 2014, three options were discussed by the Committee for oversight and monitoring of market-dynamics matters, with the preferred option being joint oversight of market shaping issues by the Strategy, Investment and Impact Committee (SIIC) and the Finance and Operational Policy Committee (FOPC). The Decision Point was approved unanimously for recommendation to the Thirty-Second Board Meeting in November 2014.

Decision Point GF/SIIC12/DP03: Recommendation on Market Dynamics

1. The Strategy, Investment and Impact Committee (the “SIIC”) acknowledges the review conducted on the Market Dynamics Advisory Group (the “MDAG”), as outlined in GF/SIIC12/10, and confirms the underlying necessity to optimize the performance and impact of investments in health products and devices while overseeing the review, development and implementation of market-shaping and quality-assurance strategies or policies.
 2. The SIIC endorses the view that the overall responsibilities for oversight and monitoring of market-dynamics matters shall rest with the SIIC and the Finance and Operational Performance Committee (the “FOPC”), in collaboration with UNITAID and other relevant partners, and recommends the approach that there is no advisory body to the SIIC on market-dynamics.
 3. Accordingly, the Chair and the Vice Chair of the SIIC will liaise with the Coordinating Group on how oversight and monitoring responsibilities may be shared between the SIIC and the FOPC.
6. Further to part 3 of GF/SIIC12/DP03 above, and to ensure the Board’s comfort in approving SIIC’s Recommendation to dissolve the MDAG, a further discussion was held at the October SIIC meeting, with the participation of the FOPC Leadership. It was agreed that the Secretariat would propose a more detailed process delineating the shared oversight roles of SIIC and FOPC for electronic approval by SIIC after its 13th meeting, and subsequent approval by FOPC at its November meeting, as outlined in Decision Point GF/SIIC13/04 below. Upon approval by both Committees of this oversight process, a joint SIIC/FOPC recommendation, based on GF/SIIC13/DP04 will be presented to the Board for approval in November 2014².

Decision Point GF/SIIC13/DP04: Recommendation on Market Dynamics

1. The Strategy, Investment and Impact Committee (the “SIIC”) acknowledges its prior discussions and decision (GF/SIIC12/DP03) to recommend that the Board discontinue the Market Dynamics Advisory Group (the “MDAG”) and place the responsibilities for oversight and monitoring of market-dynamics matters with the SIIC and Finance and Operational Performance Committee (the “FOPC”).

² GF/B32/XX – The Global Fund and Market Shaping Dynamics: Current Status and Way Forward

2. The SIIC notes the Secretariat's engagement with relevant stakeholders and partners such as UNITAID to conduct strategic reviews of sourcing and procurement activities in coordination with representatives from the SIIC and

FOPC, as summarized in GF/SIIC13/14.

3. Based on its review of the materials presented by the Secretariat as well as related discussions, the SIIC decides to recommend a decision point to the Board for adoption at its Thirty-Second Meeting in November 2014, which will:
 - a. Confirm that the mandate of the Market Dynamics Advisory Group (the "MDAG") will cease as of the date of the Board's decision, and that no advisory body will be created or utilized to succeed the MDAG with respect to market-dynamics matters;
 - b. Allocate responsibility for oversight and monitoring of market-dynamics matters between the FOPC and SIIC, as follows:
 - i. The SIIC will be responsible for developing and updating strategic policies related to market-dynamics matters, such as the Market-Shaping Strategy;
 - ii. The FOPC will be responsible for oversight of the implementation of strategic policies, including the financial and operational aspects of related sourcing and procurement initiatives; and
 - c. Delegation of authority to the FOPC and SIIC, in collaboration with the Secretariat, to develop procedures and mechanisms on reporting and engagement to facilitate the FOPC and SIIC in the discharge of their responsibilities, including establishment of methods for how the committees will communicate, as a whole and through focal points, and ways to enlist experts that can provide technical support when appropriate.
4. Accordingly, the SIIC directs the Secretariat to prepare a background paper and decision point that will be presented to the Board, along with any required amendments to the relevant governance documents to reflect this decision (e.g., Bylaws, Committee Charters, Operating Procedures of the Board and its Committees). These materials will be circulated among SIIC members for endorsement after the 13th SIIC Meeting.
5. Upon the SIIC's endorsement, the materials will be shared with the FOPC for review and endorsement before being recommended to the Board for approval at its Thirty-Second Meeting in November 2014.

Global Fund and Hepatitis C treatment

7. While the Global Fund supports comprehensive harm reduction packages, it does not have a clear policy on funding treatments of co-infections and co-morbidities. To meet this need, the Secretariat brought this issue to 13th SIIC meeting, to obtain guidance on an interim solution for requests from countries seeking funding for Hepatitis C treatment, although it was noted that Hepatitis C was not the only co-infection linked to the three diseases, and in the longer term, a broader analysis would be necessary prior to defining a policy. Three possible options for an interim solution were presented and the advantages and disadvantages of each were discussed at the meeting, and Decision Point GF/SIIC13/06 was approved for recommendation to the Board in November 2014.

Decision Point GF/SIIC13/DP06: Interim Measure on Hepatitis C Treatment

1. Based on the recommendation of the Secretariat regarding the Global Fund financing treatment of the Hepatitis C virus (“HCV”), the Strategy, Investment and Impact Committee (the “SIIC”):
 - a. Notes the need to conduct a broader analysis of the Global Fund’s role in funding treatment of co-infections and co-morbidities of HIV/AIDS, tuberculosis and malaria, including consultation and collaboration with partners on potential options, funding, evidence and related analysis;
 - b. Requests the Secretariat to conduct such analysis with partners and present the analysis and potential policy options for the SIIC to review by the Spring 2015 SIIC and Board meetings; and
 - c. Agrees, as an interim measure until there is an outcome to those deliberations, where there is a currently approved budget for HCV treatment within an existing Global Fund grant, the Global Fund may continue to fund such treatment up to the approved budget amount; and
 - d. Encourages partners to finance broader and additional HCV treatment needs, including those identified within Global Fund grant programs.
2. The SIIC acknowledges the close working relationship and collaboration among the Global Fund, UNITAID and other partners on market-shaping activities, including the expansion of access to HCV treatment.
3. Accordingly, the SIIC recommends the following decision point to the Board for approval at the Thirty-Second Board Meeting in November 2014:

GF/B32/DPXX: Interim Measure on Hepatitis C Treatment

- 1. The Board acknowledges the Strategy, Investment and Impact Committee’s (the “SIIC”) plan to develop recommendations for future Board consideration on the Global Fund’s role in funding treatment of co-infections and co-morbidities of HIV/AIDS, tuberculosis and malaria, and directs the Secretariat to engage and collaborate with partners to support the SIIC’s development of such recommendations.***
- 2. As an interim measure until there is an outcome to those deliberations, where there is a currently approved budget for HCV treatment within an existing Global Fund grant, the Global Fund may continue to fund such treatment up to the approved budget amount, as set forth in GF/B32/XX.***
- 3. The Board encourages partners to finance broader and additional HCV treatment needs, including those identified within Global Fund grant programs.***
- 4. The Board acknowledges the close working relationship and collaboration among the Global Fund, UNITAID and other partners on market-shaping activities, including the expansion of access to HCV treatments.***

8. Going forwards, the Secretariat will engage in a consultative process with SIIC, Board and Partners on an appropriate role for the Global Fund in addressing co-infections and co-morbidities of HIV, TB, and Malaria.

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

Technical Evaluation Reference Group Matters

Thematic Reviews

9. At its 12th meeting, the Committee was updated on several TERG workstreams, including Thematic Reviews on Fragile States and MDGs 4&5, and informed on challenges being faced, such as (for Fragile States) inadequate programmatic oversight, weak capacity; poorly functioning health infrastructure, limited human resources; and (for MDGs 4&5) poor data quality leading to inconsistent results. The SIIC requested the Secretariat to develop a differentiated approach within the Development Continuum, and agreed that a robust learning framework should be established for the differentiated approaches in fragile settings and for MDG 4&5.

Strategic Review 2015

10. The Plan for Strategic Review 2015 was presented initially to the 12th SIIC Meeting in June to inform the Committee on content, evaluation methodology and planned timeline. Committee members expressed strong support and endorsement of the Plan overall, in particular its importance in terms of the direction for the Global Fund post 2015, and Decision Point GF/SIIC12/DPO1 was approved unanimously.

Decision Point GF/SIIC12/DPO1: Approval of Plan for the Strategic Review 2015

1. The Strategy, Investment and Impact Committee (the “SIIC”) endorses the Plan for the Global Fund Strategic Review 2015, as set forth in GF/SIIC12/03 (the “Strategic Review 2015 Plan”).
2. Accordingly, the SIIC requests the TERG to prepare and implement a detailed work plan based on the Strategic Review 2015 Plan and additional feedback or input provided by the SIIC.
3. The SIIC further requests the TERG to present a final report for the Strategic Review 2015 to the SIIC for review and recommendation to the Board by no later than the fourth quarter of 2015.

11. A refined and updated version of the plan for the 2015 Strategic Review, incorporating feedback from the Committee at the 12th meeting was then brought back to the 13th SIIC Meeting in October 2014, as an Annex to the TERG Workplan for 2015, which was submitted to the SIIC and approved unanimously as per the Decision Point below. The plan for the 2015 Strategic Review will be brought to the 32nd Board Meeting in November 2014 for information³.

³ See GF/B32/11 2015 - Strategic Review update

Decision Point GF/SIIC13/DP03: Approval of the Technical Evaluation Reference Group's 2015 Work Plan and Recommendation on the Technical Evaluation Reference Group's 2015 Budget

1. The Strategy, Investment and Impact Committee (the "SIIC") acknowledges the 2015 workplan for the Technical Evaluation Reference Group (the "TERG"), as presented in GF/SIIC13/12 (the "2015 TERG Workplan"), has been formulated to support the implementation of the Strategic Review 2015 and to prepare for the end-term evaluation of the Global Fund Strategy 2012 – 2016.
2. Accordingly, the SIIC approves the 2015 TERG Workplan and endorses its associated budget, as outlined in GF/SIIC13/12, for inclusion in the Global Fund's 2015 operating expenses budget, which the Finance and Operational Performance Committee will review and recommend to the Board for approval.

The response to the OIG review of the TERG and TERG Recruitment

12. The paper on the response to the OIG review on the TERG was presented and discussed at the 12th Meeting in June, and the SIIC expressed satisfaction with the progress made in response to the OIG recommendations. In line with the OIG recommendations, the Committee agreed to modify the TERG Terms of Reference, and approved the TERG Recruitment Strategy documents, each marked as Revision 1⁴ as per Decision Point GF/SIIC12/DP02, below.

Decision Point GF/SIIC12/DP02: Response to OIG Review of the Technical Evaluation Reference Group

1. The Strategy, Investment and Impact Committee (the "SIIC") acknowledges the progress made to respond to the Office of the Inspector General's (the "OIG") review of the Technical Evaluation Reference Group (the "TERG"), as detailed in Annex 1 to GF/SIIC12/04.
2. The SIIC further notes that the development of revised Terms of Reference for the TERG are among the multiple measures taken to respond to the OIG's review, and approves the revised Terms of References for the TERG, as set forth in Annex 2 – Revision 1 to GF/SIIC12/04.
3. The SIIC also notes the new TERG Recruitment and Renewal Strategy, as set forth in Annex 3 – Revision 1 to GF/SIIC12/04, and agrees to launch a recruitment process under this new strategy, including constituting the Working Group on TERG Recruitment, so that new members may be appointed by the SIIC prior to the next TERG meeting in September 2014.

13. As per part 3 above, following its June meeting, the Committee set up a Working Group to manage the anticipated rotation out of TERG by three members in 2014 and 2015 as well as extensions required to the terms of three existing TERG members. The composition of the Working Group was approved electronically via GF/SIIC12/EDPO1 in August 2014.

⁴ See GF/SIIC12/04 Annex 2 – Revision 1

Decision Point GF/SIIC12/EDPo1: Establishment of the Working Group on the Recruitment of Members of the Technical Evaluation Reference Group

1. The Strategy, Investment and Impact Committee (the "SIIC") decides the working Group on the Technical Evaluation Reference Group (the "TERG") Recruitment, referred to in GF/SIIC12/DPO2, will be comprised of the following individuals:
 - a. David Stevenson, Chair of the SIIC;
 - b. Mickey Chopra, Chair of the TERG;
 - c. Jan Paehler, SIIC member that serves as TERG Focal Point; and
 - d. Osamu Kunii, Secretariat focal point on TERG matters.
2. The Working Group on the TERG Recruitment will oversee the recruitment process, provide relevant updates to the SIIC and recommend membership appointments, including lessons learned and recommendations on strengthening the process where appropriate, to the SIIC. Should any other vacancy on the TERG arise during the current term of the SIIC, the Working Group will also oversee that recruitment process and make any other recommendations on membership appointments of the TERG to the SIIC as may be needed.

14. Upon approval of the above EDP, the recruitment process for new TERG members was launched with the intent of completing the replenishment process before the 13th SIIC meeting in October. The Working Group first identified one new TERG Member which was electronically⁵ approved by the Committee on 29 August 2014, in time for the new member, Bess Miller, to participate in the TERG September 2014 meeting. See GF/SIIC12/EDPo2 below.

Decision Point GF/SIIC12/EDPo2: Appointment of New Member of the Technical Evaluation Reference Group

Based on the recommendation of the Working Group on the Technical Evaluation Reference Group Recruitment, as set forth in GF/SIIC12/ERO2, the Strategy, Investment and Impact Committee approves the appointment of Dr Bess Miller as a member of the Technical Evaluation Reference Group for a three year term that expires on 30 December 2017, or until the appointment of her successor.

15. Three additional new TERG members were subsequently identified by the Working Group for a three-year term starting in May 2015. These were submitted for approval to the 13th SIIC meeting in October, together with a proposal to renew the terms of five existing TERG members, as per the Decision Point below, which was approved.

⁵ GF/SIIC12/EDPo2

Decision Point GF/SIIC13/DP02: Appointment of New Members and Renewal of Existing Members of the Technical Evaluation Reference Group

1. Based on the recommendation of the Working Group on the Technical Evaluation Reference Group (the “TERG”) Recruitment, the Strategy, Investment and Impact Committee (SIIC) approves the:
 - a. Appointment of the following individuals to serve as members of the TERG for an initial three-year term from May 2015 to the end of May 2018, or until the appointment of their respective successors or renewal of their respective memberships:
 - i. Dr. Jeanine Condo;
 - ii. Dr. Wuleta Lemma; and
 - iii. Dr. Anna Thorson.
 - b. Renewal of membership for the following current members of the TERG for a second term that will expire at the end of February 2017, or until the appointment of their respective successors:
 - i. Dr. Paulin Basinga;
 - ii. Dr. Mickey Chopra; and
 - iii. Dr. Viroj Tangcharoensathien.
 - c. Renewal of membership for the following current members of the TERG for a second term that will expire at the end of May 2018, or until the appointment of their respective successors:
 - i. Dr. Don de Savigny; and
 - ii. Dr. Jim Tulloch.
 - d. Establishment of a reserve list, comprised of the individuals listed below that have been assessed and considered during the 2014 TERG recruitment process, which the Working Group on TERG Recruitment may use to identify additional candidates for recommendation to the SIIC to fill vacancies on the TERG during the current term of the SIIC:
 - i. Dr. Harumi Kitabayashi;
 - ii. Dr. Nandini Oomman; and
 - iii. Dr. Goran Tomson.
2. The SIIC also acknowledges the valuable contributions of UNAIDS, Stop TB Partnership, Roll Back Malaria Partnership and the GAVI Alliance to the work of the TERG, and appreciates their reconfirmation and nomination of their focal points.

New Funding Model

Shortened grant duration

16. At the 13th SIIC meeting the Secretariat informed the Committee on concerns related to grant implementation periods, noting that some 26 disease components could submit concept notes with shortened grant implementation periods (6 months to one year less), potentially necessitating an estimated US\$ 1.3 billion in additional funds requested to bridge these shortened grants through to 2017. Looking forward, the Secretariat will carefully monitor disbursements, actively manage the grant portfolio, and regularly update the SIIC, FOPC and Board to minimise any eventual adverse consequences.

Special Initiatives

17. At the 13th SIIC Meeting, as part of the new funding model update, the Secretariat proposed a re-allocation of funding within two of the Special Initiatives to benefit Grant-Making Capacity Building. The decision point was approved unanimously.

Decision Point GF/SIIC13/DP01 - Reallocation of Funding for the Principal Recipient Grant-Making Capacity Building Special Initiative

1. The Strategy, Investment and Impact Committee (the “SIIC”) acknowledges the Board approved the allocation of the amounts listed below to the following special initiatives for the 2014 – 2016 period (GF/B31/DP06):
 - a. USD 29 million for Technical Assistance for Strong Concept Notes and Principal Recipient Grant-Making Capacity Building; and
 - b. USD 9 million for Enhancing Value for Money and Financial Sustainability of Global Fund Supported Programs (the “VFM Special Initiative”).
2. Based on the Board’s delegation of authority to the SIIC (GF/B31/DP06), and in consultation with the Finance and Operational Performance Committee, the SIIC approves the reallocation of USD 0.5 million from the VFM Special Initiative to provide dedicated funding for the Principal Recipient Grant-Making Capacity Building special initiative.
3. Accordingly, the revised amount of total available funding over the 2014 – 2016 period for each of the special initiatives listed below is as follows:
 - a. USD 29 million for Technical Assistance for Strong Concept Notes;
 - b. USD 8.5 million for the VFM Special Initiative; and
 - c. USD 0.5 million for Principal Recipient Grant-Making Capacity Building.

Market Shaping and Sourcing Matters

Procurement 4 Impact (P4i)

18. The Secretariat updated the SIIC on the evolution of Procurement and Sourcing at the Global Fund at both the 12th and the 13th SIIC Meetings, providing detail on the Procurement 4 Impact (P4i) approach, which follows 6 objectives fully aligned with the Global Fund’ strategy: to make the Global Fund the benchmark organisation in the sector for Sourcing and Procurement, using simple, clear leading edge processes and tools with measurable performance in value and lives saved. P4i will help to build collaborative relationships with partner agencies, suppliers and donors, ensures effective governance and compliance, and aims to minimise waste and eliminate non-value-adding activities.
19. At the 13th SIIC Meeting, the Committee was also updated on the new Strategic Review initiative organized by the Sourcing department at the Secretariat, which would be held twice a year in Geneva, and would be linked to a SIIC or an FOPC meeting. The review would provide a new forum for critical review of the previous 12 months on topics related to sourcing, diagnostics, a new e-marketplace being put in place, and other issues linked to market shaping. Participation would be invited from partners, donors, normative agencies, implementing countries, and consultants, and it would be independently chaired. A new Memorandum of Understanding being put in place with UNITAID would be key through identification of opportunities for strategic cooperation in market-shaping

and access interventions, as well as market intelligence activities, and measurement of market and public health impact.

Revolving Fund

20. Another innovation proposed by the Secretariat was the establishment of a Revolving Fund for USD 2 million to enable the Global Fund to accelerate the introduction of better priced innovative products into the market. The Revolving Fund, which would fall under Special Initiatives, would enable the Secretariat to commit larger volumes to suppliers without the need to tie this immediately to grant commitments, and also to pool future upcoming orders from Global Fund grants and reliable partners to ensure supply sustainability or lower prices. The FOPC would approve each Secretariat initiative that would leverage the revolving fund. The Decision Point below was approved unanimously

Decision Point GF/SIIC13/DP05: Approval of the Revolving Fund within the Value for Money/Financial Sustainability Special Initiative

1. The Strategy, Investment and Impact Committee (the "SIIC") notes the Board's prior approval of the special initiative for Enhancing Value for Money and Financial Sustainability of Global Fund Supported Programs (the "VFM Special Initiative") and its delegation to the SIIC to approve budgetary and implementation adjustments to existing special initiatives approved by the Board (GF/B31/DP06).
2. Based on the Secretariat's recommendation and the review and discussions of the Finance and Operational Performance Committee (the "FOPC") at its 12th Meeting in September 2014, the SIIC decides to approve a USD 2.0 million procurement revolving fund, in accordance with the principles and parameters described in GF/SIIC13/15, as part of, and within, the already approved USD 8.5 million available for the VFM Special Initiative.
3. Accordingly, the SIIC directs the Secretariat to report regularly to the FOPC on the implementation of the procurement revolving fund, including the utilization of funding and recapture of such funds from grant funds, as well as prior approval of products, devices or other initiatives that may benefit from the procurement revolving fund.

Human Rights

21. The Secretariat provided an overview of ongoing activities at the Secretariat related to human rights, including integrating human rights considerations throughout the grant lifecycle; increasing investment in programs that address human rights barriers to accessing health services; and ensuring that the Global Fund does not support programs that infringe human rights. Integrating human rights considerations into Concept Notes was a key focus, where applicants are asked to identify key human rights barriers that may impede access to health services, and existing programs that address these key constraints. A set of minimum standards on human rights is now included in grant agreements, and the Secretariat and Partners are working closely with the OIG to handle complaints of violations of those standards.
22. One of the outcomes of the Human Rights Workshop in May 2014 was a recommendation to the Global Fund on funding of health programs in drug detention centers (or sex worker "rehabilitation" centers, LGBT "cure" programs, etc.). This had been further developed by the Secretariat, and the below Decision Point was brought to the 13th SIIC meeting in October, which was approved by the Committee.

Decision Point GF/SIIC13/DP07: Policy on Compulsory Treatment Facilities

1. The Strategy, Investment and Impact Committee (the “SIIC”) acknowledges the Secretariat’s recommendations with respect to compulsory treatment programs or facilities, as set forth in GF/SIIC13/09, which recognizes the operational challenges in ensuring access to health services for persons detained in these facilities and the Global Fund’s commitment to the closure of compulsory treatment programs and to avoid financing or supporting programs that infringe human rights.
2. Accordingly, the SIIC decides the Global Fund shall not, as a general principle, finance any activities in or related to compulsory treatment programs or facilities where:
 - a. Individuals are detained without due process, such as legal representation and judicial review;
 - b. Medicines and treatment regimens are not scientifically sound or approved; or
 - c. There is torture or cruel, inhuman or degrading treatment, as understood under international law.
3. However, consistent with the Global Fund’s commitment to address gaps in life-saving treatment for key populations, the SIIC decides the Global Fund may finance scientifically sound medical testing, treatment, treatment services, and treatment monitoring for detainees of such compulsory treatment programs or facilities in exceptional circumstances, such as ensuring access to life-saving treatment to detainees in voluntary, community-based treatment programs located outside of such facilities. Such exceptions may be determined by the Secretariat, in consultation with relevant partners, provided that sufficient measures can be implemented and maintained to oversee and verify the conditions and utilization of such financing.
4. The SIIC requests the Secretariat to periodically report to the SIIC on the implementation of this decision point and funding determinations made in the exceptional circumstances set out in paragraph 3 of this decision point.

PART 3: MATTERS ADDRESSED BY SIIC AS PART OF ITS OVERSIGHT AND ADVISORY FUNCTIONS IN ACCORDANCE WITH ITS CHARTER.

New Funding Model

23. The Committee was updated on lessons learned and challenges identified with the rollout of the funding model at both the June and October meetings, including Concept Notes review, financing Unfunded Quality Demand, how the funding model is supporting Global Fund Strategic Objectives, Regional Expressions of Interest, as well as the Special Initiatives comprising Value for Money, country data systems improvement, the Emergency Fund, and PR Grantmaking Capacity Building. This latter item was the subject of a decision point proposed by the Secretariat – see paragraph 15 for details.

Potential Policy Implications

24. The Secretariat outlined six key policy issues which could require SIIC or Board consideration to further improve the way the new funding model works, including incentive funding, the allocation methodology, application of minimum levels, eligibility, the development continuum, and grant duration. For incentive funding, the Committee agreed that revisions to the policy should wait until the next allocation period, and that the

funding model should be assessed holistically rather than tackled per issue. The Secretariat agreed to continue documenting lessons and identifying ways to provide strong operational support to countries to help to manage challenges with incentive funding and other issues.

Technical Review Panel

25. The Committee considered learnings from the TRP of the new funding model roll out at 12th and 13th meetings. In general, the TRP felt the quality of concept notes was improving, and while not all TB-HIV concept notes were well consolidated, the TRP had seen some good examples of well-integrated proposals. Strengthening sustainability and building health systems capacity were areas which required further work, with other issues related to a differentiated approach to fragile states, and the implementation of the incentive funding process also requiring further thought.

Corporate KPIs

26. The Secretariat presented an update on the work to finalize the Corporate KPIs at both the 12th and the 13th SIIC meetings, reminding the Committee that of the total 16 indicators approved by the Board, five already had approved targets. A further seven were submitted to the 12th SIIC Meeting for review to finalize baselines and 2014 targets, and the remaining four were brought to the 13th SIIC Meeting for committee input prior to submission to the November Board Meeting of the complete KPI framework.⁶

Partnerships

27. The Committee was updated on Partnership Agreements at both the 12th and 13th Meetings, with the focus at the 13th meeting on Technical Partnership Agreements. The Secretariat provided an overview of the Partnership Agreement (PA) on Technical Assistance for stronger Concept Notes in place with WHO, informing Committee members that of the overall budget for this PA of US\$ 29 million, approximately US\$ 9.5 million had been disbursed. The PA encompasses some 156 TA deliverables including EPI analysis, program reviews, gaps analysis, strategic plans, and investment approaches, covering HIV, TB and malaria, as well as HSS/RMNCH. Key issues identified included the new methods of coordination within both organizations required by the TA, and the transaction costs associated with such coordination at multiple levels (country, regional and global).

28. Presentations by bilaterals involved in Global Fund TA including USG, GIZ, FEI, as well as WHO and UNAIDS were then shared with the Committee, allowing updates from partner perspectives on ongoing technical assistance issues and concerns. For more details, please refer to the Board Effect portal, where all such presentations are available.

PART 4: DECISIONS RECOMMENDED BY SIIC AND APPROVED BY THE BOARD VIA ELECTRONIC VOTE

29. There have been no electronic Decision Points recommended to the Board by the SIIC since the Thirty-First Board Meeting in March 2014.

⁶ GF/B32/24 Corporate KPIs

**Strategy, Investment and Impact Committee
Summary of Decision Points**

12th SIIC Meeting Decision Points

DP ref.	Theme
GF/SIIC12/DP01	Approval of Plan for the Strategic Review 2015
GF/SIIC12/DP02	Response to OIG Review of the Technical Evaluation Reference Group
GF/SIIC12/DP03	Recommendation on Market Dynamics

Electronic Decision Points taken between 12th and 13th SIIC Meeting

GF/SIIC12/EDP01	Establishment of the Working Group on the Recruitment of Members of the Technical Evaluation Reference Group
GF/SIIC12/EDP02	Appointment of New Member of the Technical Evaluation Reference Group

13th SIIC Meeting Decision Points

DP ref.	Theme
GF/SIIC13/DP01	Reallocation of Funding for the Principal Recipient Grant-Making Capacity Building Special Initiative
GF/SIIC13/DP02	Appointment of Members of the Technical Evaluation Reference Group
GF/SIIC13/DP03	Approval of the Technical Evaluation Reference Group's 2015 Work Plan and Recommendation on the Technical Evaluation Reference Group's 2015 Budget
GF/SIIC13/DP04	Recommendation on Market Dynamics
GF/SIIC13/DP05	Approval of the Revolving Fund within the Value for Money/Financial Sustainability Special Initiative
GF/SIIC13/DP06	Interim Measure on Hepatitis C Treatment
GF/SIIC13/DP07	Policy on Compulsory Treatment Facilities