

Appointment of Rapporteur

Decision Point GF/B32/DP01:

Mr. Paul Schaper from the Private Sector constituency is designated as Rapporteur for the Thirty-Second Board Meeting.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat

Approval of Agenda

Decision Point GF/B32/DP02:

The agenda for the Thirty-Second Board Meeting (GF/B32/01 – Revision 1) is approved.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat

**2015 Corporate Work Plan, Budget Narrative and
Operating Expenses Budget****Decision Point GF/B32/DP03:**

1. Based on the recommendation of the Finance and Operational Performance Committee (the “FOPC”), the Board approves the following:
 - a. Corporate Work Plan and Budget Narrative 2015, as set forth in GF/B32/04; and
 - b. 2015 Operating Expenses Budget in the amount of USD 299.8 million, as set forth in GF/B32/03 (the “2015 OPEX Budget”), which includes USD 16.4 million for the Office of the Inspector General’s 2015 operating expenses based on the recommendation of the Audit and Ethics Committee.

2. As previously decided by the Board (GF/B22/DP18), the Secretariat will manage the 2015 OPEX Budget’s exposure to foreign-exchange rate volatility and include in its periodic reporting to the FOPC on budget matters any measures taken to minimize such exposure.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat

Communication on Status of Recoveries**Decision Point GF/B32/DP04:**

1. As outlined in GF/B23/DP24 and reiterated in GF/B23/DP28, the Board continues to work with a full commitment to transparency and to endeavor to uphold the independence of the Office of the Inspector General (the “OIG”) within the Global Fund. In order to further promote this independence, the Board decides to supersede GF/B23/DP28 in its entirety with this decision point (GF/B32/DP04).
2. The Board recognizes the need to have clear, consistent and contextualized information regarding the status of recoveries related to non-compliant expenditures identified within grant programs financed by Global Fund resources.
3. With respect to non-compliant expenditures identified from OIG audits and investigations, the Board requests the Global Fund Secretariat to prepare a Recoveries Report (the “Report”) for the periods ending 30 June and 31 December of each year. The Report will detail, among other items:
 - a. The amounts reported by the OIG as being non-compliant and/or as constituting financial loss;
 - b. The amounts deemed recoverable by the Secretariat based on the OIG’s findings, including an explanation of the method and process employed for the determination of such amounts; and
 - c. Progress on outstanding recovery actions, including a description of the context within which recovery-related processes are being handled by the Secretariat and any lessons learned.
4. The Board requests the AEC to:
 - a. Review the Report;
 - b. Engage with the Finance and Operational Performance Committee (the “FOPC”) on matters within the FOPC’s mandate that relate to the process of developing and updating the Report; and
 - c. Present any recommended amendments to this decision point to the Board for approval.
5. Following the review of the Report by the AEC, the Secretariat shall submit the Report to the Board.
6. Furthermore, the Board directs the Secretariat to develop, for AEC approval, a methodology and format for future reporting within the Report, which describes measures

taken with respect to recoverable amounts identified in the due course of grant management operations.

7. The Board requests the OIG to report independently on the Secretariat's progress on matters related to recoveries as part of the OIG's Report to the Board or as otherwise determined by the AEC.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat

Approving the Governance Plan for Impact**Decision Point GF/B32/DP05:**

1. The Board acknowledges the:
 - a. Observations, options and survey results presented in the advisory report issued by the Office of the Inspector General (the “OIG”) on the effectiveness and efficiency of Global Fund governance, as set forth in GF-OIG-14-008 (the “OIG Advisory Report, Governance Review”);
 - b. Analysis and recommendations presented in the Governance Plan for Impact prepared by the 2014 Ad-Hoc Working Group on Governance, as set forth in GF/B32/08 – Revision 2 (the “Governance Plan”); and
 - c. Related discussions and deliberations during the Board Retreat held in Montreux, Switzerland on 16 – 18 November 2014.
2. Accordingly, the Board notes the recommendations on governance function contained in the Governance Plan and approves:
 - a. The finalization of an enhanced governance structure, to be presented at the November 2015 Board meeting, comprised of the Board, Coordinating Group and the following re-configured standing committees:
 - i. Audit and Finance;
 - ii. Ethics and Governance; and
 - iii. Strategy and Operations.
 - b. Measures to transition the current governance structure to the enhanced governance structure, by the beginning of April 2016, which consists of:
 - i. Establishment of the Transitional Governance Committee, under the terms of reference set forth in Annex 2 to the Governance Plan;
 - ii. Modified responsibilities for the Coordinating Group, as reflected in its amended terms of reference, as set forth in Annex 4 to the Governance Plan; and
 - iii. Maintaining the current allocation of responsibilities among the three standing committees (i.e., Audit and Ethics, Finance and Operational Performance, Strategy, Investment and Impact) until the enhanced governance structure is in place.

- c. Amended terms of reference for the Chair and Vice-Chair of the Board, as set forth in Annex 5 to the Governance Plan, to reflect the allocation of their shared and individual responsibilities.
3. With respect to cross-cutting activities, the Board approves the recommendations set forth in the Governance Plan regarding the following:
 - a. The Model for managing cross-cutting activities, as depicted in Figure 5 of the Governance Plan;
 - b. Responsibilities for risk management;
 - c. Assessment of organizational performance; and
 - d. Reaffirmation of the Partnership Forum with a refocused scope, as outlined in the proposed amendments to the By-laws set forth in Annex 6 to the Governance Plan.
4. Furthermore, the Board approves the recommendations set forth in the Governance Plan for the following areas:
 - a. Transparency of Board and committee votes, including revisions to the Operating Procedures of the Board and Committees set forth in Annex 7 to the Governance Plan;
 - b. Institutional memory management;
 - c. Elevating the implementer voice; and
 - d. Lifecycle management practices as well as constituency management, which shall be overseen by the Transitional Governance Committee described in paragraph 2.b.i of this decision point.
5. In relation to the topic of legal status, the Board decides, noting the unique legal status of the Global Fund, to utilize the transition measures to, and eventual implementation of, the enhanced governance structure outlined in the Governance Plan to facilitate the Board's understanding and determination of the set of norms and standards the Global Fund strives to comply with in its governance and operations.
6. The Board authorizes the Secretariat, in coordination with the Transitional Governance Committee, to amend, restate or develop the relevant governance documents to reflect the implications of this decision point. Such amended, restated or developed governance documents shall be presented to the Board for approval. In doing so, the Secretariat will also propose additional modifications to rules, procedures or structures established under this decision point, which may be required for its implementation, for further approval by the Board.
7. This decision point and its related modifications to governance documents shall take immediate effect upon the date the Board approves this decision point.
8. Finally, the Board notes this decision point marks the conclusion of the work and mandate of the 2014 Ad-Hoc Working Group on Governance, and extends its gratitude and

appreciation to the 2014 Ad-Hoc Working Group on Governance, as well as the Office of the Inspector General, for their efforts to produce analysis, observations, options and recommendations to guide the Board in furthering the effectiveness and efficiency of governance matters.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat

Privileges and Immunities**Decision Point GF/B32/DP06:**

1. The Board acknowledges:
 - a. The absence of privileges and immunities exposes the Global Fund's resources, staff and mission to serious risks and challenges;
 - b. The importance of States, particularly implementing country governments, to accord privileges and immunities to the Global Fund through either applying domestic legislation or executing the Board-endorsed multilateral Agreement on Privileges and Immunities; and
 - c. The Secretariat's efforts to require host-country grantees to take all appropriate and necessary actions to ensure the Global Fund is accorded privileges and immunities within three years from the effective date of a Framework Agreement signed between the Global Fund and host-country grantees.
2. To further ensure progress in protecting the Global Fund through privileges and immunities, the Board requests:
 - a. The Secretariat to dedicate required resources for the acquisition of privileges and immunities for the Global Fund;
 - b. The Finance and Operational Performance Committee and the Audit and Ethics Committee to oversee jointly the acquisition of privileges and immunities for the Global Fund, and report to the Board on an annual basis on implementing and donor countries that have and have not provided such protection to the Global Fund; and
 - c. The Board Leadership to constitute a dedicated group of donor and implementer representatives to identify strategies and advocate for the acquisition of privileges and immunities for the Global Fund.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat

Global Fund Financing of Hepatitis C Treatment**Decision Point GF/B32/DP07:**

1. The Board acknowledges the Strategy, Investment and Impact Committee's (the "SIIC") plan to develop recommendations for Board consideration at its March 2015 meeting 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 Hepatitis C virus ("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/B32/22, and may otherwise permit continuation of Global Fund funded HCV treatment programs during this interim period with new grants in these countries up to previously approved budgeted levels.
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.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat

Market Dynamics Oversight**Decision Point GF/B32/DP08:**

1. Based on the joint recommendation of the Strategy, Investment and Impact Committee (the “SIIC”) and the Finance and Operational Performance Committee (the “FOPC”), as outlined in GF/B32/23, the Board:
 - a. Affirms its commitment to optimizing the performance and impact of investments in health products and devices, through the review and updating of the Market Shaping Strategy (Annex 1 to GF/B23/09 - Revision 1) as well as oversight of its implementation and operationalization;
 - b. Decides the Market Dynamics Advisory Group (the “MDAG”) will cease as of the date of this decision, and that no advisory body shall be created or utilized to support the Board and its Committees in their responsibilities over market-dynamics matters;
 - c. Acknowledges the Secretariat’s responsibility to develop, update and implement strategic policies and initiatives on market-dynamics matters in collaboration with partners with relevant expertise;
 - d. Decides that the overall responsibilities for oversight and monitoring of market-dynamics matters, which include strategic and operational components, shall rest with the FOPC and SIIC as follows:
 - i. The SIIC shall be responsible for guiding and overseeing the development and updating of strategic policies related to market-dynamics matters, such as the Market Shaping Strategy for recommendation to the Board by its November 2015 meeting; and
 - ii. The FOPC shall be responsible for oversight of the implementation of strategic policies, including the financial and operational aspects of related sourcing and procurement initiatives.
2. Accordingly, the Board approves the amendments and restatements of the following governance documents, which shall become effective as of the date of this decision:
 - a. Bylaws, as set forth in Annex 1 to GF/B32/23;
 - b. Charter of the Finance and Operational Performance Committee, as set forth in Annex 2 to GF/B32/23; and
 - c. Charter of the Strategy, Investment and Impact Committee, as set forth in Annex 3 to GF/B32/23.

3. The Board directs 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. Such procedures and mechanisms will be in place and communicated among the members of the FOPC and SIIC by the end of the 2014 calendar year.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat

Ethics and Integrity Initiative: First Stage Policy Proposals**Decision Point GF/B32/DP09:**

1. The Board acknowledges the Audit and Ethics Committee's recommendation of policy principles arising from the First Stage of the Ethics and Integrity Initiative, as set forth in GF/B32/18 – Revision 1.
2. Accordingly, the Board approves:
 - a. The Ethics and Integrity Framework contained in Annex A to GF/B32/18 – Revision 1; and
 - b. The proposal for creation of a dedicated and independent ethics function led by an Ethics Officer, as described in Annex B to GF/B32/18 – Revision 1.
3. The Board furthermore requests the Audit and Ethics Committee to develop the following for the Board's approval at its Thirty-Third Meeting:
 - a. A Terms of Reference, reporting line and resourcing for the Global Fund ethics function, developed in consultation with the Finance and Operational Performance Committee; and
 - b. A Code of Ethical Conduct for Governance Officials, developed in consultation with all Board constituencies, and based on the Global Fund's core ethical values and the principles contained in Annex C to GF/B32/18 – Revision 1.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat

Approval of the Global Fund Corporate KPI Framework 2014-2016**Decision Point GF/B32/DP10:**

1. The Board :
 - a. Notes the Global Fund Corporate Key Performance Indicator Framework for 2014-2016 (the “KPI Framework”), which was approved in November 2013 (GF/B30/DP07), required additional methodological work during 2014 to finalize certain indicators; and
 - b. Recognizes the work by the Secretariat to complete the methodology of the KPI Framework in consultation with the relevant committees of the Board.
2. Accordingly, the Board approves the updated KPI Framework, currently available performance targets for 2015, and the plan to present the remaining 2015 performance targets for approval at the Thirty-Third Board Meeting, as set forth in GF/B32/24.a – Revision 2.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat

Approval of the Risk Management Policy**Decision Point GF/B32/DP11:**

1. The Board acknowledges multiple operational tools are utilized and updated by the Secretariat to execute the Global Fund's approach to risk management, as outlined in the Enterprise Risk Management Framework set forth in Annex 1 to GF/B32/13.
2. Accordingly, based on the recommendation of the Finance and Operational Performance Committee, the Board approves the Risk Management Policy, as set forth in Annex 3 to GF/B32/13 (the "Policy").
3. The Policy shall supersede the Risk Management Framework adopted by the Board in November 2009 at its Twentieth Meeting (GF/B20/DP15) and become effective as of the date of this decision.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat

Applying Risk Differentiation**Decision Point GF/B32/DP12:**

1. Based on the recommendation of the Finance and Operational Performance Committee, the Board adopts the risk differentiation framework presented in paragraphs 34 through 37 of GF/B32/14.
2. The Board directs the Secretariat to operationalize this risk differentiation framework and report on its implementation at each Board Meeting. Furthermore, the Secretariat shall conduct annual reviews to update the risk differentiation framework as appropriate, and report to the Board once a year on the outcome of such reviews.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat

**Approval of the Amended and Restated Global Fund Policy for Restricted
Financial Contributions**

Decision Point GF/B32/DP13:

1. Based on the recommendations of the Finance and Operational Performance Committee, the Board approves the Amended and Restated Global Fund Policy for Restricted Financial Contributions, as set forth in Annex 1 to GF/B32/20 (the “Amended and Restated Policy”).
2. The Amended and Restated Policy shall supersede the prior version of the Policy for Restricted Financial Contributions (GF/B15/DP29) and be effective as of 22 November 2014, and shall not alter the characterization of any sources of funds that have been factored into the 2014 allocation of resources.

Signed:

Paul Schaper
Rapporteur

Carole Presern
Secretariat