



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Electronic Report to the Board

B23/ER/03

2011 BUDGETARY IMPLICATIONS OF THE GLOBAL FUND REFORM AGENDA

PURPOSE:

This report requests the Board to approve the recommendation from the Finance and Audit Committee to increase the Operating Expenses budget for 2011 in light of the implementation of the Global Fund's Plan for Comprehensive Reform.

B23/EDPI/07

The Board authorizes the addition of 25 staff positions, representing US\$ 1.8 million in staffing costs, and US\$ 4.13 million in non-staffing costs to the approved 2011 Operating Expenses budget to accelerate the implementation of the Reform Agenda, as described in GF/B23/13.

The budgetary implications of this decision for the 2011 Operating Expenses Budget are US\$ 1.80 million in staff costs (prorated), reflecting an increase of 25 staff positions, and US\$ 4.13 million in non-staffing costs.

Part 1: Background

1. At its Twenty-Third Meeting, the Global Fund Board approved a set of reform actions to be taken forward in an accelerated manner by the Global Fund Secretariat, in addition to a far-reaching set of reforms already underway. In approving these reforms, the Board requested the Global Fund Secretariat to engage with the Finance and Audit Committee regarding resource implications for successful implementation of the reforms. This echoed a previous suggestion made by the Finance and Audit Committee to the Global Fund Secretariat to request the additional resources required for accelerating the Country Team Approach - a key and foundational feature of the reform agenda.
2. Following the Twenty-Third Board Meeting, the Global Fund Secretariat has revisited its own reform work plan in order to integrate the approved CRWG-recommended reform actions into the Global Fund Secretariat's work and more comprehensively assess the resource needs for the high-priority reforms.
3. When excluding resources already available in the current Global Fund Secretariat headcount, as well as deliverables already committed in the 2011 workplan, the current draft of the costed workplan estimates a need for over 100 additional Full Time Equivalent (FTE) staff members to implement the deliverables identified as part of the reform agenda.
4. The Global Fund Secretariat does however realize that through further review, prioritization and refinement of the reform workplan, these numbers will reduce. As presented to the FAC, the Secretariat requires an additional 75 Full Time Equivalent staff members in 2011/2012 to implement prioritized activities.
5. The majority of the resources required to deliver on the reform agenda will be absorbed through existing headcount. This headcount will be made available through a significant reprioritization and reallocation exercise, following recommendations from a "Q1 Review," which assessed key organizational and operational aspects of the Global Fund Secretariat. Through the decisions taken following the Q1 Review, 50 positions will be moved towards more grant cycle-related functions, which will provide a significant base of resources for delivering against key reform priorities.
6. The Global Fund Secretariat therefore requests a temporary increase in the number of headcount by 25 positions in 2011, continuing into 2012. The Global Fund Secretariat headcount would then be reduced by 15 positions by the end of 2012, with the intention to reduce a further 10 positions by the end of 2013. In addition, high-priority reform deliverables will require an additional US\$ 4.13 million in non-staffing related costs. In total, these additional costs represent a 2.7% increase over the total 2011 Global Fund Secretariat Operating Expenses budget.
7. The Global Fund Secretariat will further analyze and present 2012 reform-related costs to the Finance and Audit Committee as part of the normal exercise to prepare the 2012 Operating Expenses budget.

8. Further details of the request are contained in the following FAC papers which have already been shared with all Board members:

- GF/FAC16/15 - Implementing the Global Fund Reform Agenda
- GF/FAC16/15 Attachment 1 - Q1 Review Report
- GF/FAC16/15 Attachment 2, Revision 1 - Implementing the Global Fund Reform Agenda - Supplementary Information
- GF/FAC16/15 Attachment 3 - The Global Fund's Plan for Comprehensive Reform (Latest Draft)
- GF/FAC16/15 Attachment 4 - Presentation to FAC

Part 2: 2011 BUDGETARY IMPLICATIONS OF THE GLOBAL FUND REFORM AGENDA

Decision

The Global Fund Secretariat requests the Board to approve the following decision, as recommended by the FAC:

B23/EDP/07 : 2011 Budgetary implications of the Global Fund reform agenda

The Board authorizes the addition of 25 staff positions, representing US\$ 1.8 million in staffing costs, and US\$ 4.13 million in non-staffing costs to the approved 2011 Operating Expenses budget to accelerate the implementation of the Reform Agenda, as described in GF/B23/13.

The budgetary implications of this decision for the 2011 Operating Expenses Budget are US\$ 1.80 million in staff costs (prorated), reflecting an increase of 25 staff positions, and US\$ 4.13 million in non-staffing costs.