

37th Board Meeting

Report of the Coordinating Group

GF/B37/23

3-4 May 2017, Kigali, Rwanda

Board Information

Purpose of the paper: The purpose of the present report is to provide the Board Members with an update on the work of Coordinating Group in fulfilling its mandate, accomplished since the 36th Board Meeting. It is a result of a joint effort of the Board Leadership and leadership of the Audit and Finance Committee (AFC), Ethics and Governance Committee (EGC) and Strategy Committee (SC).

Part 1 - Decision Point

1. There is no Decision Point contained in this paper.

Part 2 - Relevant Past Decisions

2. There are no relevant past Decision Points.

Part 3 – Introduction

3. This report is a joint effort of the Global Fund Coordinating Group (“CG”). Following implementation of the enhanced governance structure approved by the Board¹, the CG is formed by the Chair and Vice-Chair of the Board (Board Leadership) and leadership of the Board standing committees²: Audit and Finance Committee (AFC), Ethics and Governance Committee (EGC) and Strategy Committee (SC). The CG is a mechanism for work coordination between the Board and its Committees, to ensure effective collaboration across the Board Committees and linkages between different workstreams, particularly with regard to cross-cutting issues. Key intersectional areas of CG work relate to oversight of institutional performance of the Global Fund Board, risk oversight, effective administration and coordination of organization’s processes and systems, and any other matters as deemed necessary by the Board.
4. The purpose of the report is to provide an overview of work performed to date by the Coordinating Group in fulfilling its mandate under its Terms of Reference (GF/B34/EDPo7)³ (see Annex 1). . It highlights key areas of CG engagement, outlines progress made over the last six months, and reflects on key priorities ahead in the remainder of the CG’s tenure. Annexes to this report include: 1) Coordinating Group Terms of Reference (ToR); 2) List of decisions adopted by the standing Committees between the 36th and 37th Board meetings; and 3) High-Level Coordinating Group Work Plan.
5. Since the last 36th Board Meeting 16-17 November 2017 in Montreux, the Coordinating Group has held four regular meetings, three of which were virtual (via Zoom) and one in-person meeting following the closure of the 36th Board Meeting. The CG meetings took place approximately every four to six weeks, each were followed by the circulation of the meeting minutes to the Board constituencies. The next CG in-person meeting will take place on 1 May 2017 ahead of the 37th Global Fund Board Meeting in Kigali, Rwanda.

Part 4 – Reflections on ongoing work

6. Since the 36th Global Fund Board Meeting held in November 2016, the Coordinating Group has continued to focus on lessons learned from the 36th Board Meeting, coordination of Committees work on cross-cutting issues and deciding on respective leading Committee, prioritization of risks

¹ <http://www.theglobalfund.org/Knowledge/Decisions/GF/B34/EDPo7/>

² Current Coordinating Group membership includes: Norbert Hauser and Aida Kurtovic (Board Leadership), Greg Ferrante and Beatrijs Stickers (Audit and Finance Committee Leadership), Mohamed Salah Ben Ammar and Jan Paehler (Ethics and Governance Committee Leadership), Dorothée Kinde-Gazard and Julia Martin (Strategy Committee Leadership).

³ https://www.theglobalfund.org/media/6009/core_coordinatinggroup_tor_en.pdf

and better monitoring of implementation of mitigating actions, and deliberations on implementation of specific operational improvements to facilitate the Board and Committees work.

7. A key milestone in the recent work of CG was its involvement in the recruitment process of the next Executive Director, through preparations for the Global Fund Board Retreat held on 27-28 February 2017. The CG took an active role in supporting the Board Leadership and the 2016 Executive Director Nomination Committee (2016 EDNC) in evaluating lessons learned, guiding the work when necessary, and monitoring the progress.

Enhanced oversight of institutional organizational performance

8. As part of supporting the Board on delivering an oversight of organizational performance, the CG supported the dialogue between the Board constituencies and the Secretariat to facilitate bringing several Board level discussions to conclusion. The CG supported the extended process of the Board’s approval of the strategic performance targets for the 2017-2022 Strategic Key Performance Indicator Framework, drew lessons learned from the electronic decision point to authorize the *wambo.org* pilot that the Board did not adopt, particularly related to voting discrepancies at Committee level and the Board, and nominated a lead Committee to oversee the existing and emerging cross-cutting issues.
9. **Strategic KPI Target Setting Advisory Group** (“KPI Advisory Group”). Following the Board’s request for an additional analysis to develop performance targets for the 2017-2022 Strategic Key Performance Indicator Framework (GF/B36/DP09)⁴, a dedicated KPI Advisory Group was established to review and provide expert opinion on the work completed by the Secretariat and to endorse or recommend changes to a final set of KPI targets for the Board’s approval. The CG monitored the nomination process of the KPI Advisory Group, agreed on the Group’s membership and appointed the leadership of SC and AFC to jointly oversee the work and monitor the progress of the KPI Advisory Group. Leadership of both committees led virtual and in-person meetings of the Group and ensured fulfillment of its mandate and scope of work. The final set of strategic KPI targets was recommended to the Board through electronic decision point, followed by its approval on 21 March 2017 (GF/B36/EDP09).
10. **Oversight of cross-cutting work streams.** In line with the Coordinating Group’s ongoing efforts to improve the oversight of cross-cutting issues, it held several coordination calls to ensure clarity and alignment around the roles and input of each committee on cross-cutting matters. The Coordinating Group agreed and decided upon identifying a lead Committee to oversee the progress of the distinguished multiple overlapping work streams, i.e. KPIs, Business Model, risk management, *wambo.org*, innovative financing, sourcing/market shaping and Country Coordinating Mechanism (CCMs) matters. These areas and a respective lead Committee are outlined in the table below.

Table 1: Overview of cross-cutting work streams and a respective lead Committee

Overlapping item	Lead Committee	
KPIs	AFC oversight: KPIs 7, 10, 12	SC oversight: KPIs 1, 2, 3 , 4, 5, 6, 8, 9, and 11

Note: the oversight of KPI 3 was allocated to Strategy Committee in the final report to the Board (GF/B36/ER08A) on 7 March 2017

⁴ <https://www.theglobalfund.org/board-decisions/b36-dp09/>

Business Model	Strategy Committee
Risk Management	Audit and Finance Committee
wambo.org	Strategy Committee
Innovative financing	CG discussion in progress
Sourcing / Market Shaping	Sourcing – Audit and Finance Committee Market shaping - Strategy Committee
CCM Matters	Ethics and Governance Committee

Cross-committee coordination of Risk Management

11. In terms of ensuring a cross-committee collaboration and coordination in the identification and management of risks, review of the quarterly Organizational Risk Register⁵ and its accompanying memo has been a standing item on the Coordinating Group’s agenda with the focus on key risks debated in more detail. In addition to the discussions on the CG role in risk oversight, regular updates on initiatives, risk mitigation measures and assurance mechanisms initiated the Secretariat have been regularly brought to the CG attention. Global Fund reputational risks were discussed at length following the Board’s decision to re-launch the selection process of the next Executive Director.
12. Overall, the CG members concur with the CRO’s assessment that the risk management framework of the organization is still not fully embedded and operationalized, but that it is moving in that direction. The CG recognizes the ongoing work to clarify roles and responsibilities among the three lines of defense (Grant Management Division, Risk Management Department, Office of the Inspector General), especially the second line of defense (Risk Management Department). The CG is also aware of the limitations to the ability, by the Secretariat, to resolve long-overdue AMAs.
13. The CG members endorse the CRO efforts to keep the bar set high before reporting a positive change in risk movement of ORR risks, but recognizes that gradual progress is being made. The CG members remain committed to work closely with the Risk Department to monitor developments and keep the Board duly informed.

Committee Membership and Board Leadership Selection Process

14. As part of CG engagement in effective administration and coordination of the Global Fund’s processes and systems, on several occasions the Coordinating Group raised concerns about current two-year Committee tenure and basically forming new Committees every two years. The CG recognizes that the current turnover of Board and Committee members (70%) is considerably high and may recommend for consideration a staggered Committee membership, to ensure institutional memory, allow for increased efficiency of the committee work and sustained continuity. With that regard, the Board Leadership tenure is subject of possible revisions as well, with EGC recommending various options to the Board for discussion and decision.
15. The EGC continues to focus on improving the membership and selection processes of Board and Committee members to ensure that the Global Fund continues to attract qualified candidates that

⁵ The Organizational Risk Register (ORR) is a tool to catalogue the key strategic and operational risks facing the organization and actions being pursued by the Global Fund to manage and mitigate these risks.

meet the skills required for the effective engagement of the Board and Committees. Between in-person Committee meetings, the CG, remains a main facilitator of continued engagement between the Committees, facilitating information sharing and problem resolution.

16. **Board Leadership Selection Process.** Throughout the Board Leadership selection process, the Board Chair agreed with designated CG members (Board Vice-Chair and EGC leadership) on the consecutive steps of the selection process, role of voting group and constituencies, role of EGC in reviewing the nominees, and concrete timeline leading to the Board's approval of the new Board Leadership. Throughout the process of refining the Board Leadership TORs, the Board Chair led the process and provided a substantial input to improved TORs, including leading on respective consultation calls with the Board in conjunction with the EGC leadership. The Board Leadership TORs (GF/B37/22) are presented by the EGC to the Board for approval at its 37th Board Meeting on 3-4 May 2017.
17. In view of the above, succession planning for Board Leadership remains crucial element of CG discussions to ensure smooth handover between outgoing and incoming Board Leadership, especially in view of simultaneously ongoing ED selection processes. The outgoing Board Leadership is developing a relevant handover package to their successors, and will remain available for any consultation calls or meetings with new Board Leadership, if needed.

Overall effectiveness of Global Fund Board and Committee meetings

18. As part of its mandate to ensure effective administration and coordination of processes and systems, the Coordinating Group increased its focus on areas of operational improvements needed for the Board and Committees to effectively and efficiently fulfil their roles. In order to address specific challenges noted in the *OIG Review on Governance*, the CG proposed improvements that included possible revisions of the Board and Committee charters and workplans to diminish the over-workload among Committees, prioritization of decisional agenda items over the items *for information* to allow for more strategically focused meetings, anticipated volume reduction of the Board/Committee pre-read documents and number of reports produced, needed enhancements in inter-sessional work, and Board/Committee procedural modifications to sustain a good governance and informative induction for incoming members. The Office of Board Affairs (OBA) has been tasked accordingly to commence the work on certain improvements.
19. **Committee Meetings.** In advance of the 3rd AFC, SC and EGC meetings held in March 2017, the CG engaged closely with the Secretariat into the preparation process. The CG advised on the meeting agendas, provided necessary guidance and ensuring an appropriate alignment with respective Committee work plans and reflected on anticipated outcomes of the meetings. The CG continues to advocate for volume reduction of the Board/Committee pre-documents and maintaining its content more accessible to a reader yet technically sound.
20. In the spirit of streamlining voting procedures at the Committee and Board level, the CG has been a strong proponent of increased utilization of *no objection* votes, simplified motions and secondments of decision points with the intention to improve effectiveness and efficiency of governance processes. The CG members agree that affirmative votes would apply in the event of voting on fundamental and strategic decisions of the Global Fund.
21. In order to facilitate an exchange of documents among the Board members, and following the CG request, the Office of Board Affairs has installed a restricted IT system that would allow for secure sharing of confidential information with the Board. Under the CG guidance, the OBA in conjunction with Legal department develops a training induction module that would serve as a coaching tool on Board procedures for CG members and incoming Board members.

22. In supporting the Board in setting up of the Global Fund’s performance assessment framework and to safeguard the quality of performed work by the Board Committees, the Coordinating Group is expected to review the results of the Committees Self-Assessment at its consecutive virtual meeting in June, following the 37th Board Meeting. In that regard, and the overall effectiveness of the Committees in fulfilling their mandate as well as any specific concerns raised during assessment will be debated.

Part 5 – Key priorities ahead

23. The Coordinating Group continues to emphasize the importance of Committees’ focus on longer-term strategic issues, such as the globality of the Global Fund, its links with the new SDGs context, country ownership and other aspects in line with the founding principles of the Global Fund. As the Board has held a comprehensive debate around transition and sustainability, the CG shall ensure the momentum continues and facilitate Committee discussions.
24. The volume of agenda items discussed and the quantity of documents submitted to the Committees and the Board remains an ongoing concern of the CG. Although some improvements in terms of shortening the documentation have been made, CG continues to try to achieve agendas that allow for a sufficient amount of discussion supported by documentation of appropriate balance in terms of length, simplicity and relevant information. The CG shall continue its engagement in alignment of the Board and Committee work plans and meeting agendas to increase the efficiency of these meetings.
25. Following the appointment of the new Chair and Vice-Chair of the Global Fund Board on 3 May 2017, the CG will experience a change in its membership. In order to maintain an adequate and sufficient level of institutional memory, it is critical that the Committees leadership provide the new Board Chair and Board Vice-Chair with appropriate level of details related to CG ongoing work streams, confronted challenges and ways of working.
26. The CG will also focus on ensuring a successful transition of the Executive Director (ED) to the interim ED (and then to the next permanent ED) and the several key MEC vacancies, thus contributing to the institutional memory and transition arrangements.
27. The CG will continue discussing its role, i.e. whether it should “just” be a coordinating unit i.e. for oversight of cross cutting areas (see OIG Report GF/B 37/12 page 14) or be tasked with executive duties between the Board meetings to unburden the Board from topics that must not be decided by the full Board.

Annexes

Annex 1. Coordinating Group Terms of Reference (ToR)

Annex 2. List of decisions adopted by committees between the 36th and 37th Board meetings

Annex 3. High-Level Coordinating Group Work Plan

TERMS OF REFERENCE OF THE COORDINATING GROUP

28 April 2016¹

¹ Approved by the Board on 28 January 2016 (GF/B34/EDPo7) and effective after the conclusion of the 35th Board Meeting held on 26 – 27 April 2016.

A. Role and functions

1. The Coordinating Group of the Global Fund to Fight AIDS, Tuberculosis and Malaria (the “Global Fund”) provides a visible and transparent mechanism for coordination and collaboration between the Board and the Committees of the Board, including, among other areas of work, ensuring collaboration across the committees with respect to cross-cutting matters, including risk management and organizational performance, and any other responsibilities as may be directed by the Board.
2. The Coordinating Group carries out its work within the framework of the decision-making authorities of the Board, its Chair and Vice-Chair, and the Committees of the Board as set out in the Global Fund’s By-Laws, committee charters, and operating procedures.

B. Areas of work

Oversight of institutional performance

3. The Coordinating Group will support the Board’s core function of setting the Global Fund’s performance assessment framework in regard to the organization’s strategic, operational and financial performance through:
 - a. Monitoring/tracking routine oversight by the Board’s committees of key performance indicators falling within the specific mandate of each committee;
 - b. For key performance indicators that have a cross-cutting element, ensuring a high-level of inter-committee collaboration to ensure the Board’s ability to assess overall corporate performance through a single information source; and
 - c. As required, making recommendations to the Board on possible adjustments to the performance assessment framework to strengthen Board and committee oversight of performance.

Risk oversight

4. The Coordinating Group will support the Board’s core function in setting the Global Fund’s overall risk management strategy through ensuring cross-committee collaboration and coordination in the identification and management of risks.

Effective administration and coordination of processes and systems

5. Board priorities, agenda setting and communications: The Coordinating Group will support the effective and coordinated administration of the Board through:
 - a. Supporting the Chair and Vice-Chair of the Board in priority-setting for the Board and its committees, including alignment of committee and Board work plans and agendas, and the comprehensive and rational assignment to specific committees of oversight of Board strategies and initiatives;
 - b. Reviewing follow-up to Board and committee decisions; and
 - c. Instituting effective communication modalities for sharing information, advice and recommendations between the Board and the committees and amongst the committees.

6. Appropriate documentation: The Coordinating Group will support the Board's goal of ensuring relevant and timely dissemination of relevant materials to Board and Committee Members in a manner which facilitates timely application of the Global Fund's language policy and optimizes comprehension of the key issues for Board and committee discussion and decision. Within this area of work, key tasks for the Coordinating Group include:
 - a. Prioritizing preparation of reports to the Board and the Committees to ensure optimal use of resources in support of governance structures; and
 - b. Setting standards for achieving an appropriate balance in length and simplicity of documentation to facilitate broad comprehension.
7. Membership engagement: The Coordinating Group will support the selection of Committee Members and facilitation of Committee functions by:
 - a. Consulting with the Chair and Vice-Chair of the Board on the potential candidates identified to serve as Committees Members, prior to the Chair and Vice-Chair of the Board presenting the selected candidates to the Board for approval; and
 - b. Facilitating continued engagement by Committee Members on tasks related to key topic areas between Committee meetings.

C. Composition and term

8. The Coordinating Group comprises the Chair and Vice-Chair of the Board, and the Chair and Vice-Chair of each of the Committees of the Board.
9. The Coordinating Group may invite the Executive Director, the Inspector General, leadership or members of advisory groups and/or technical experts to attend meetings and/or support Coordinating Group deliberations on matters directly related to the respective functions or expertise of such individuals.
10. Members of the Coordinating Group may not designate alternates to attend meetings or participate in deliberations of the Coordinating Group.

D. Reporting and communication

11. To facilitate effective collaboration and coordination with the committees of the Board, Coordinating Group members shall regularly communicate feedback, advice and/or recommendations directly to the Committees of the Board.
12. To ensure transparency in its work, the Coordinating Group will make available at each Board meeting a summary of its key activities since the prior Board meeting, in addition to specific ad-hoc reports that the Board may request from time to time on key topics.

E. Quorum and voting

13. The Coordinating Group may only conduct business when a majority of members are present.
14. The Coordinating Group shall use best efforts to make all recommendations and decisions by consensus. If all practical efforts by the Coordinating Group have not led to consensus, any member of the Coordinating Group may call for a vote. In order to pass, motions require a two-thirds majority of those present.

Annex 2

Decisions adopted by the three standing Committees between the 36th and 37th Board meetings

Decision Points approved by the EGC between 36th and 37th Board Meetings	
DP ref. No.	Title
2nd EGC Meeting, 12-14 October 2016	
GF/EGCo2/EDPo3	Recommendation on Revisions to the Constituency Funding Policy
GF/EGCo2/EDPo4	Recommendation on the Executive Director Selection Process
3rd EGC Meeting, Part I: 7 February 2017 / Part II: 27-29 March 2017	
GF/EGCo3/DPo1	Approval of the 3rd Ethics and Governance Committee Meeting Agenda
GF/EGCo3/DPo2	Approval of the Ethics and Governance Committee Vision Statement
GF/EGCo3/DPo3	Code of Conduct for Country Coordinating Mechanisms
GF/EGCo3/DPo4	Terms of Reference for the 2017 Executive Director Nomination Committee
GF/EGCo3/EDPo1	Recommendation on the approval of the new Board Chair and Vice-Chair Terms of Reference
GF/EGCo3/EDPo2	Approval of the Board Leadership Selection Process
GF/EGCo3/EDPo3	Recommendation on the approval of the revised Board Chair and Vice-Chair Terms of Reference

Decision Points approved by the AFC between 36th and 37th Board Meetings	
DP ref. No.	Title
2nd AFC Meeting, 13-14 October 2016	
GF/AFCo2/EDPo2	Approval of the 2017 OIG Annual Plan*
GF/AFCo2/EDPo3	Salary Scale for the Positions of Executive Director and Inspector General
GF/AFCo2/EDPo4	Recommendation on Performance Targets for the 2017-2022 Strategic Key Performance Indicator Framework
3rd AFC Meeting, 29-31 March 2017	
GF/AFCo3/DPo1	Recommendation on Revisions to the Amended and Restated Global Fund Policy on Restricted Financial Contribution
GF/AFCo3/DPo2	Acceptance by the Audit and Finance Committee of Documents and Responses Relating to the 2016 Consolidated Financial Statements and 2016 Statutory Financial Statements
GF/AFCo3/DPo3	Approval of Provident Fund Investment Strategy
GF/AFCo3/EDPo1	Administration Agreement with the World Bank

*EDP approved at the 36th Board Meeting.

Decision Points approved by the SC between 36th and 37th Board Meetings	
DP ref. No.	Title
2nd SC Meeting, 13-14 October 2016	
GF/SCo2/EDP05	Maximum Shares for Allocation*
GF/SCo2/EDP06	Recommendation on Performance Targets for the 2017-2022 Strategic Key Performance Indicator Framework
3rd SC Meeting, 20-22 March 2017	
GF/SCo3/DP01	Recommendation on Global Fund Quality Assurance Policy for Diagnostic Products
GF/SCo3/DP02	Recommendation on Wambo.org

*Approved at the 36th Board Meeting.

2nd Ethics and Governance Committee Meeting Decision Points

GF/EGCo2/EDPo3: Recommendation on Revisions to the Constituency Funding Policy (Approved Unanimously)

The Ethics and Governance Committee ("EGC"):

1. Acknowledges the submission by the Secretariat of the electronic report ER/EGCo2/ER03 outlining a number of proposed changes to the Board approved Constituency Funding Policy (GF/B20/DP7).
2. Endorses the contents of the proposed revised Constituency Funding Policy, as set out in Annex 1 to ER/EGCo2/ER03 ("Revised Policy"), including the role and responsibilities of the EGC under the said revised policy.
3. Invites the Secretariat to submit the Revised Policy to the Board for its consideration and approval.
4. Recommends the Board to approve the Revised Policy.

GF/EGCo2/EDPo4: Recommendation on the Executive Director Selection Process (Approved Unanimously)

1. The Ethics and Governance Committee ("EGC") notes its responsibilities with regard to the recruitment process of the Executive Director as set forth in Article 36 of the Operating Procedures of the Board and Committees of the Global Fund.
2. Based on its review and discussion of the proposed process for selecting the Executive Director, as set forth in GF/EGCo2/ER04, the EGC recommends that the Chair and Vice-Chair of the Board present the following decision point to the Board for approval at its November 2016 meeting:

GF/B36/DPXX: Executive Director Selection Process

1. The Board notes:
 - a. Its November 2016 approval (GF/B35/EDP19) of the terms of reference of the 2016 Executive Director Nomination Committee, as set forth in Annex 1 to GF/B35/ER15; and
 - b. Consultations between the Ethics and Governance Committee and the Chair and Vice-Chair of the Board with respect to the terms of reference of the Executive Director, voting procedures for the selection of the next Executive Director, and anticipated timelines for recruiting the next Executive Director, as outlined in GF/B36/XX.
2. Accordingly, the Board approves:
 - a. The revised terms of reference of the Executive Director, as presented in Annex 1 to GF/B36/XX, which shall supersede the terms of reference approved by the Board under decision point GF/B26/EDPo8 and set forth in Annex 1 to GF/B26/ER05; and
 - b. The voting procedure for the selection of the Executive Director, as presented in Annex 2 to GF/B36/XX, which shall supersede any prior versions of voting procedures adopted for the selection of any direct report of the Board.

3rd Ethics and Governance Committee Meeting Decision Points

GF/EGCo3/DP01: Approval of the 3rd Ethics and Governance Committee Meeting Agenda (Approved Unanimously)

The Ethics and Governance Committee approves the 2nd Ethics and Governance Committee Meeting Agenda.

GF/EGCo3/DP02: Approval of the Ethics and Governance Committee Vision Statement (Approved Unanimously)

The Ethics and Governance Committee approves the Ethics and Governance Committee Vision Statement with minor revisions.

GF/EGCo3/DP03: Code of Conduct for Country Coordinating Mechanisms (Approved Unanimously)

The Ethics and Governance Committee recommends the following decision to the Board:

The Board:

1. Notes the recommendation of the Ethics and Governance Committee of a Code of Conduct for Country Coordinating Mechanisms (the “CCM Code”), developed in furtherance of the Ethics and Integrity Framework adopted by the Board at its 32nd Meeting (GF/B32/DP09);
2. Approves the CCM Code, as presented in [[Annex 1] in GF/BR37/XX]; and
3. Notes that the CCM Code provides for its incorporation as a component of Eligibility Requirement 6 of the Guidelines and Requirements for Country Coordinating Mechanisms (the “CCM Guidelines and Requirements”), and accordingly requests the Secretariat to propose revisions to the CCM Guidelines and Requirements to incorporate the CCM Code and address any other emerging issues and challenges, to be presented to the Board for approval via the relevant Board Committee(s).

Budgetary implications: not applicable.

GF/EGCo3/DP04: Terms of Reference for the 2017 Executive Director Nomination Committee (Approved Unanimously)

The Ethics and Governance Committee agrees to recommend the following decision point to the Chair and Vice-Chair of the Board for presentation to the Board for approval:

Decision Point GF/B36/EDPXX: Approval of the Terms of Reference for the 2017 Executive Director Nomination Committee

1. Based on the recommendation of the Chair and Vice-Chair of the Board (the “Board Leadership”), in consultation with the Ethics and Governance Committee (the “EGC”), the Board:
 - a. Notes its responsibilities with regard to the recruitment process of the Executive Director as set out in Article 36 of the Operating Procedures of the Board and Committees of the Global Fund to Fight AIDS, Tuberculosis and Malaria (“BCOP”);
 - b. Notes the consultations of the Board Leadership and the EGC in relation to this process, including with respect to the establishment of the nomination committee referred to in the BCOP and the selection of an executive search firm, in accordance with Global Fund procurement regulations, to provide support to the nomination committee in carrying out its mandate; and

- c. Approves the terms of reference of the 2017 Executive Director Nomination Committee, as set out in Annex 1 to GF/B36/ERXX.
2. The Board requests the Board Leadership to submit a Chair, Vice-Chair and the membership of the nomination committee to the Board for approval.

GF/EGCo3/EDPo1: Recommendation on the approval of the new Board Chair and Vice-Chair Terms of Reference (Approved; vote not received from U.S. and EECA)

The Ethics and Governance Committee:

1. Notes its responsibilities with regard to the nominations process of the Board Chair and Vice-Chair as set out in Article 31 of the Operating Procedures of the Board and Committees of the Global Fund (“BCOP”).
2. Notes its consultations with the Board and the Governance Focal Points Network in relation to this process.
3. Invites the Board Chair and Vice-Chair to recommend for Board approval the terms of reference of the Board Chair and Vice-Chair at the 27-28 February 2017 Board Retreat, as set out in Annex 1 to GF/EGCo3/ER01.
4. Invites the Board Chair and Vice-Chair, following the approval by the Board of the terms of reference of the new Board Chair and Vice-Chair, to launch a call for nominations on 1 March 2017, in accordance with Article 31.1 of the BCOP.

GF/EGCo3/EDPo2: Approval of the Board Leadership Selection Process (Approved; vote not received from UK and LAC)

The Ethics and Governance Committee:

1. Notes its responsibilities with regard to the nominations process of the Board Chair and Vice-Chair as set out in Article 31 of the Operating Procedures of the Board and Committees of the Global Fund (“BCOP”).
2. Notes its consultations with the Board and the Governance Focal Points Network in relation to this process.
3. Endorses the contents of the proposed Board Leadership Selection Process, as set out in Annex 1 to GF/EGCo3/ER02.

GF/EGCo3/EDPo3: Recommendation on the approval of the revised Board Chair and Vice-Chair Terms of Reference (Approved Unanimously)

The Ethics and Governance Committee:

1. Invites the Board Chair and Vice-Chair to recommend for Board approval, at the 37th Board Meeting to be held in Kigali, Rwanda on 3-4 May 2017, the terms of reference of the Board Chair and Vice-Chair as set out in Annex 1 to GF/EGCo3/ER03.

2nd Audit and Finance Committee Meeting Decision Points

GF/AFCo2/EDPo2: Approval of the 2017 OIG Annual Plan

The Audit and Finance Committee (the “AFC”), following the receipt of clarifications requested by the AFC, approves the 2017 annual plan of the Office of the Inspector General as presented in GF/AFCo2/14.

Electronic Decision Point: GF/AFC02/EDP03: Salary Scale for the Positions of Executive Director and Inspector General

The Audit and Finance Committee approves the salary scale for the positions of the Executive Director and the Inspector General, as set forth in GF/AFC02/ERO1, and requests that the Secretariat incorporate the salary scale for these positions into the Amended and Restated Global Fund Human Resources Policy Framework, as set forth in GF/FOPC17/13 – PART B (Revision 1) and approved under GF/FOPC17/DP01.

Decision Point: GF/AFC02/EDP04 Recommendation on Performance Targets for the 2017-2022 Strategic Key Performance Indicator Framework

1. Based on its review and discussion of the updated recommendation on performance targets for the 2017 – 2022 Strategic Key Performance Indicator (“KPI”) Framework, as set forth in GF/AFC02/ERO2A, the Audit and Finance Committee (the “AFC”) agrees to recommend the performance targets for KPIs 7, 10 and 12 to the Board for approval.
2. Accordingly, the AFC decides to recommend the following decision point to the Board for approval.

Decision Point GF/B36/EDP09: Performance Targets for the 2017 – 2022 Strategic Key Performance Indicator Framework

1. The Board notes the additional analysis to develop performance targets for the 2017 – 2022 Strategic Key Performance Indicator (the “KPI”) Framework approved by the Board in June 2016 under decision point GF/B35/EDP05 and set forth in Annex 1 to GF/B35/ERO5 (the “Strategic KPI Framework”).
2. Based on the recommendation of the Audit and Finance Committee and the Strategy Committee, as set forth in GF/B36/ERXX, the Board:
 - a. Approves the performance targets where proposals are complete;
 - b. Approves the proposed interim indicator proposals for KPIs 5 and 9c; and
 - c. Agrees with postponing its review and approval of performance targets for KPIs 6a, 6b and 6e until the final Board meeting of 2017.

3rd Audit and Finance Committee Meeting Decision Points

Decision Point GF/AFC03/DP01: Recommendation on Revisions to the Amended and Restated Global Fund Policy for Restricted Financial Contributions

The AFC recommends the following decision point, for approval at the Thirty-Seventh Board Meeting in May 2017, which adopts the Amended and Restated Global Fund Policy for Restricted Financial Contributions, as revised and set forth in Annex 1 to GF/AFC03/04:

GF/B37/DPXX: Approval of Revisions to the Amended and Restated Global Fund Policy for Restricted Financial Contributions

1. Based on the recommendations of the Audit and Finance Committee, the Board approves the Amended and Restated Global Fund Policy for Restricted Financial Contributions, as revised and set forth in Annex 1 to GF/B37/XX (the “Amended and Restated Policy”).

2. The Amended and Restated Policy shall supersede the prior version of the Policy as approved by the Board in November 2014 under decision point GF/B32/DP13.

This decision has no budgetary implications.

Decision Point GF/AFC03/DP02: Acceptance by the Audit and Finance Committee of Documents and Responses Relating to the 2016 Consolidated Financial Statements and 2016 Statutory Financial Statements

The Audit and Finance Committee (the “AFC”) accepts the:

- a. Final version of the 2016 Consolidated Financial Statements, which have been prepared by the Secretariat and audited by KPMG SA;
- b. Final version of the 2016 Statutory Financial Statements, which have been prepared by the Secretariat and audited by KPMG SA;
- c. 2016 Audit Opinions prepared by KPMG SA;
- d. Conclusion and statement from KPMG SA that they are in a position to issue unqualified audit opinions on both the 2016 Consolidated Financial Statements and the 2016 Statutory Financial Statements; and
- e. Comments and responses by the Secretariat and KPMG SA to the questions and topics of discussion during the AFC’s deliberations.

Accordingly, the AFC decides to recommend the following decision points to the Board:

1. Decision Point: GF/B37/DPXX: 2016 Annual Financial Report

The Board authorizes the issuance of, and therefore approves, the Global Fund’s 2016 Annual Financial Report, which includes the 2016 Consolidated Financial Statements that have been audited by KPMG SA, as set forth in GF/B37/XX Annex 1.

2. Decision Point: GF/B37/DPXX: 2016 Statutory Financial Statements

The Board authorizes the issuance of, and therefore approves, the Global Fund’s 2016 Statutory Financial Statements, which have been audited by KPMG SA, as set forth in GF/B37/XX Annex 2.

Decision Point GF/AFC03/DP03: Approval of Provident Fund Investment Strategy

1. The Audit and Finance Committee acknowledges the presentation of the Asset-Liability Management study of the Global Fund Provident Fund (the “GFPF”), as outlined in GF/AFC03/11, including the:
 - a. Analysis of the current risk profile;
 - b. Analysis of the required risk budget; and
 - c. the current set-up and financing, as shown through the mechanics of the GFPF’s liability side.
2. Accordingly, the Audit and Finance Committee approves the recommended investment strategy set forth in GF/AFC03/11, which includes the asset classes, asset allocations and risk profile, and acknowledges the current set-up and financing remains unchanged in accordance with the GFPF Constitutional Declaration and Benefits Rules.
3. This decision supersedes the strategic asset allocation approved by the Finance and Operational Performance Committee in October 2013 (GF/FOPCo8/DP01).

Decision Point GF/AFC03/EDP01: Administration Agreement with the World Bank

1. Based on its review and discussion of the analysis presented by the Secretariat and the Office of the Inspector General, the Audit and Finance Committee (the “AFC”) decides to recommend that the Board authorize the Secretariat to enter into the Administration Agreement with the World Bank for the Performance Based Funding project in the Democratic Republic of Congo, as presented in GF/AFC03/14- Revision 1.
2. However, the AFC also recommends that this authorization not set a precedent for future investments with development partners or for existing relationships with partners and decides to further recommend that the Secretariat consider development of a framework to guide future consideration of such investments for presentation to and review by the AFC, in consultation with the Strategy Committee, for recommendation to the Board.

Accordingly, the AFC recommends the following decision point to the Board for approval:

GF/B37/DPXX: Administration Agreement with the World Bank

1. The Board:
 - a. Notes the proposed Administration Agreement between the World Bank and the Global Fund for the Performance Based Funding project in the Democratic Republic of Congo, as presented in GF/B37/XX (the “Administration Agreement”);
 - b. Acknowledges the Administration Agreement does not provide the Global Fund the right of access to books, records, personnel or sites relating to the Performance Based Funding project, including as required under the Board-approved Charter of the Office of the Inspector General; and
 - c. Acknowledges that, accordingly, the Office of the Inspector General will not be able to provide the Board with assurance, whether through audit or investigation work, on the funds disbursed under the Administration Agreement.
2. Based on the recommendation of the Audit and Finance Committee, the Board authorizes the Secretariat to enter into the Administration Agreement with the World Bank for the Performance Based Funding project in the Democratic Republic of Congo in accordance with the financial and programmatic terms presented in GF/B37/XX.
3. However, the Board confirms that this decision does not set a precedent for future investments with development partners or for existing relationships with partners and requests the Secretariat consider development of a framework to guide future consideration of such investments for presentation to and review by the Audit and Finance Committee, in consultation with the Strategy Committee, for recommendation to the Board.

Budgetary implications: not applicable

2nd Strategy Committee Meeting Decision Points

Decision Point GF/SC02/EDP05: Maximum Shares for Allocation (Approved Unanimously)

1. The Strategy Committee (the “SC”) notes:
 - a. The technical parameters for the 2017 – 2019 allocation period, which the Strategy, Investment and Impact Committee approved in March 2016 (GF/SIIC17/DP05), set maximum shares for allocation at 10-percent funding at a disease level (the “Maximum Disease Share”) and 7.5-percent funding at a country level; and
 - b. Under the qualitative-factor adjustment process approved by the SC in June 2016 (GF/SC01/DP01), the maximum shares for allocation would be maintained throughout the process unless otherwise authorized by the SC.

2. Based on the Secretariat's recommendation, as presented in GF/SCo2/ERo4, the SC decides to authorize one country's tuberculosis component and another country's malaria component to exceed the Maximum Disease Share as part of the qualitative-factor adjustment process for the 2017 – 2019 allocation period.

Decision Point GF/SCo2/EDPo6: Recommendation on Performance Targets for the 2017-2022 Strategic Key Performance Indicator Framework (Approved Unanimously)

1. Based on its review and discussion of the updated recommendation on performance targets for the 2017-2022 Strategic Key Performance Indicator ("KPI") Framework, as set forth in GF/SCo2/ERo6A, the Strategy Committee (the "SC") agrees to:
 - a. Recommend the performance targets for KPIs 1, 2, 3, 4, 6c, 6d, 6f, 8, 9a, 9b and 11 to the Board for approval
 - b. Recommend the interim indicator proposals for KPIs 5 and 9c to the Board for approval; and
 - c. Postpone the review of performance targets for the measures associated with KPIs 6a, 6b and 6e, as outlined in GF/SCo2/ERo6A, for recommendation to the Board before the end of 2017
2. Accordingly, the SC decides to recommend the following decision point to the Board for approval.

Decision Point GF/B36/EDPXX: Performance Targets for the 2017 – 2022 Strategic Key Performance Indicator Framework

1. The Board notes the additional analysis to develop performance targets for the 2017 – 2022 Strategic Key Performance Indicator (the "KPI") Framework approved by the Board in June 2016 under decision point GF/B35/EDPo5 and set forth in Annex 1 to GF/B35/ERo5 (the "Strategic KPI Framework").
2. Based on the recommendation of the Audit and Finance Committee and the Strategy Committee, as set forth in GF/B36/ERXX, the Board:
 - a. Approves the performance targets where proposals are complete;
 - b. Approves the proposed interim indicator proposals for KPIs 5 and 9c; and
 - c. Agrees with postponing its review and approval of performance targets for KPIs 6a, 6b and 6e until the final Board meeting of 2017.

3rd Strategy Committee Meeting Decision Points

Decision Point GF/SCo3/DPo1: Recommendation on Global Fund Quality Assurance Policy for Diagnostic Products (Approved Unanimously)

1. The Strategy Committee (the "SC") decides to recommend the following decision point to the Board for approval:

Decision Point GF/B37/DPXX: Amended and Restated Global Fund Quality Assurance Policy for Diagnostic Products

Based on the recommendation of the Strategy Committee, the Board approves the amended and restated Global Fund Quality Assurance Policy for Diagnostic Products, as set forth in Annex 1 to GF/B37/XX.

Decision Point GF/SC03/DP02: Recommendation on Wambo.org (Approved, 1 abstention from Communities)

1. The Strategy Committee agrees to present the following decision point to the Board for approval at its 37th meeting in May 2017 based on its review and discussion of the Secretariat's paper "Wambo.org: Progress Update and Steps for Advancement", as presented in GF/SC03/16:

Decision Point GF/B37/DPXX: Wambo.org: Progress Update and Steps for Advancement

1. The Board acknowledges the progress update on wambo.org presented by the Secretariat and notes the proposal contained in the paper "Wambo.org: Progress Update and Steps for Advancement", as set forth in GF/B37/XX, to pilot a limited number of transactions by current Principal Recipients ("PRs") using domestic funding via wambo.org.
2. Based on the recommendation of the Strategy Committee, the Board approves the piloting of a limited number of transactions (at a maximum ten in total) by current PRs using domestic funding via wambo.org.
3. Accordingly, the Board:
 - a. Requests that the Secretariat reports back to the Strategy Committee on the operationalization of this pilot, including any lessons learned from such transactions in light of the long-term perspective for wambo.org; and
 - b. Delegates to the Strategy Committee the authority to approve further transactions with domestic funding through wambo.org on a pilot basis, with the objective to provide input into further strategic and operational planning for wambo.org.

UPDATED DRAFT COORDINATING GROUP WORKPLAN - AS AT MAY 27, 2016

		2016			2017				2018			
Activities	Deliverables	Q2 - 2016	Q3 - 2016	Q4 - 2016	Q1 - 2017	Q2 - 2017	Q3 - 2017	Q4 - 2017	Q1-2018	Q2-2018	Q3-2018	Q4-2018
2. GOVERNANCE OVERSIGHT												
2.1.8 Nomination of Committee Membership	The Coordinating Group will support the selection of Committee Members and facilitation of Committee functions by: a. Consulting with the Chair and Vice-Chair of the Board on the potential candidates identified to serve as Committees Members, prior to the Chair and Vice-Chair of the Board presenting the selected candidates to the Board for approval; b. Facilitating continued engagement by Committee Members on tasks related to key topic areas between Committee meetings.	x								x		
2.3.1 Effective Coordination and Communication - Review of Board and committee meeting agendas, follow up on decisions and ensure effective communication	(a) Support to Board Leadership in Identifying priorities for Board and committee meeting agendas ahead of Board and committee meetings. (b) Discuss Board and Committee decisions and implementation status/follow up. (c) Instituting effective communication modalities for sharing information and advice and recommendations between the Board and the committees and amongst the committees		x		x		x		x		x	
2.3.34 Appropriate Documentation and Continuous Improvement of Board and Committee Practices	CG to support goal of relevant and timely dissemination of materials to the Board (in coordination with discussion of agenda): (a) prioritisation of reports to Board and Committees to ensure optimal use of resources in support of Governance Structures; and (b) Setting standards for optimal balance in length and simplicity of documentation to facilitate broad comprehension		x		x		x		x		x	
4. ASSESSMENT OF ORGANIZATIONAL PERFORMANCE												
4.2.7 Oversight of institutional performance by Coordinating Group - monitoring oversight of KPIs by the three committees	The CG will support the Board's core function of setting the GF's performance assessment framework through: (a) Monitoring/tracking routine oversight by the Board's committees of key performance indicators falling within the specific mandate of each committee; (b) For KPIs that have a crosscutting element, ensuring a high-level of inter-committee collaboration to ensure the Board's ability to assess overall corporate performance through a single information source; and (c) As required, making recommendations to the Board on possible adjustments to the (KPI) performance assessment framework to strengthen Board and committee oversight of performance.		x		x		x		x		x	
5. RISK MANAGEMENT												
5.1.3 Ensure cross-committee collaboration and coordination in identification and management of risk	Regular discussion and coordination to ensure effective oversight of risk management in each committee and coordination across the committees using the risk register and risk reports to the Board,		x					x				
COORDINATING GROUP ADMINISTRATION, COMMUNICATION												
CG Virtual Meetings	Participate in CG Virtual Meetings 1x/6 weeks	x	x	x	x	x	x	x	x	x	x	x
Monthly Newsletter to Board	Provide input on committee activities and review monthly newsletter sent to the Board	x	x	x	x	x	x	x	x	x	x	x
Report to the Board	Provide input on committee results and review bi-annual CG report shared with the Board			x		x		x		x		x