

41st Board Meeting

Report of the 41st Board Meeting

15 - 16 May 2019, Geneva

GF/B41/18

15-16 May 2019, Geneva

Board Decision

Purpose of the paper:

This document presents the Report of the 41st Global Fund Board Meeting, held in Geneva, Switzerland, from 15-16 May 2019.

Agenda items: The meeting comprised of 18 agenda items, including one executive session. The decision originally proposed for one agenda item was withdrawn on site.

Decisions: The Report includes a full record of the nine (9) Decision Points adopted by the Board (Annex 1). The decision originally proposed for one agenda item was withdrawn on site and one additional decision was added during the meeting.

Documents: A document list is attached to this Report (Annex 2). Documentation from the 41st Board Meeting is available [here](#).

Presentations: Presentation materials shown during the meeting are available to Board Members and Alternate Board Members on the [OBA Portal](#).

Participants: The participant list for the 41st Board meeting can be consulted [here](#).

Glossary: A glossary of acronyms can be found in Annex 3.

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Agenda Item 1: Board Meeting Opening

1. The Chair of the Board, Aida Kurtović, welcomed the participants and introduced the incoming Board Leadership, Dr Donald Kaberuka and Lady Roslyn Morauta. The Chair recognized the work of the Committees, the Secretariat and the Office of the Inspector General, and partner organizations in preparing for the decisions.
2. The incoming Board Chair acknowledged the work of the outgoing Board Leadership and expressed thanks to the Board constituencies for their confidence in the new Board Leadership. The incoming Chair emphasized the underlying innovative thinking regarding Global Governance that the Global Fund champions, as one family with different types of stakeholders fighting against the three diseases and underlined the key role the Global Fund holds in global health.
3. The incoming Vice Chair acknowledged the Board Leadership Selection Process and the professional and confidential way in which it had been carried out reflecting the tremendous progress in Global Fund governance. Moving forward, continued improvement will be sought in governance. The incoming Vice Chair reiterated the commitment and availability of the incoming leadership to listen and to help the Board take decisions for advancing the cause, while simultaneously protecting the Global Fund.
4. The Chair highlighted the recent entry into force of the Agreement on Privileges and Immunities (P&I) and called on Governments represented on the Board to move towards signature and/or ratification in their countries. The Chair assured all constituencies that their written statements are taken into account in all Board deliberations.
5. The traditional candle of remembrance was lit by Thomas Teuscher of the Canada, Switzerland and Australia constituency, in memory of those affected by the three diseases. He spoke of the critical need for respect for human rights and the progress made and appreciated the important work of health workers and the risks they sometimes take in pursuit of their mission. A moment of silence was observed.
6. Decisions. The Board unanimously approved decisions to appoint Allan Maleche of the Developing Country NGO constituency to serve as rapporteur (GF/B41/DPO1), and to approve the agenda (GF/B41/DPO2).

Agenda Item 2: Update from the Executive Director

7. Presentation. The Executive Director (ED) opened the session by thanking the Board and the outgoing Chairs for their support and leadership and welcoming the new Board Leadership. The ED also honoured the memory of an esteemed employee of the Global Fund, Meixun Jin, who sadly passed away after losing her battle with cancer. The ED provided an update to the Board around the five priorities, i.e. supporting a successful sixth replenishment, driving impact from the current grant cycle, preparing for the next cycle of grants, enhancing efficiency and effectiveness and investing in people.
8. Board discussion. The Board welcomed the new Board Leadership and extended gratitude and appreciation to the outgoing Chairs for their commitment and leadership. The Board underlined the importance of the following areas in their feedback to the ED:
9. **Human Rights:** While acknowledging that human rights and gender is a complex area and cannot be addressed by the Global Fund alone, the Board stressed the importance of delivering on strategic objective 3 (promote and protect human rights and gender equality). Leveraging the Global Fund's partnership model, the Board stressed the importance of working closely with partners for accelerating progress on human rights and gender issues.
10. **Resilient and Sustainable System for Health (RSSH):** With the Office of Inspector General (OIG) report showing a need for enhanced engagement, the Board appreciated the stronger engagement of the Global Fund country teams in RSSH and stressed the need for effective implementation of the RSSH Roadmap.

11. **Country Performance:** There is a need to further analyse the factors that lead to progress in some countries, in contrast with others that perform less well. Understanding of the core issues that were addressed by countries making progress is key to fighting the three diseases more effectively.
12. **Sustainability and transition:** The Board extended appreciation for the pre-day session on domestic resource mobilisation (DRM) and stressed the critical importance of DRM for effective sustainability and transition. The Board called on partners and countries to galvanise efforts in raising more resources for health.
13. **Partnerships and collaboration:** It is important for the Global Fund to align with the global initiatives for achievement of Sustainable Development Goal 3 (SDG3) and Universal Health Coverage (UHC). It would be important to understand how the Global Fund can leverage its partnership model and collaborate with partners in making an impact in the broader health architecture.
14. **Secretariat Matters:** The human resources reforms carried out by the Secretariat need to take into account the findings of the [OIG's report on the human resources management](#) at the Global Fund. The Board stressed the importance of addressing cases of sexual harassment, exploitation and abuse, as jointly planned with Gavi.
15. **ED's response.** The ED thanked the Board for the very rich and insightful comments. Acknowledging the lack of time for addressing all comments received, the ED spoke about the main common themes raised by the Board. The ED assured the Board that the Secretariat is fully committed to accelerating progress in human rights and gender issues and is looking forward to engaging in discussions with the Committees and new Board Leadership for their guidance. Similarly, on sustainability and transition, and particularly on the DRM, the Global Fund is collaborating with partners and using platforms such as the sustainable financing accelerator under the Global Action Plan, as a vehicle to move forward. The Secretariat is also very keen at analysing the reasons for differential impact, performance variability, and program quality in different places, which links to improvements in RSSH amongst other factors. The ED also assured the Board that responding to antimicrobial resistance, of which MDR TB is a prime example, is a top priority. And last but not the least, the Secretariat is striving to be more efficient and is committed to further improving and implementing policies and procedures for addressing any ethical issues arising in the workplace.

Agenda Item 3: The Global Fund and Unitaid: Collaboration

16. **Presentation.** The Executive Director of Unitaid, Lelio Marmora and Peter Sands presented an update on their collaboration. This follows the recently signed agreement on a Strategic Framework for Collaboration between the Global Fund and Unitaid which supersedes a previously agreed Memorandum of Understanding (MoU).
17. Unitaid highlighted the challenges faced in connecting the innovations in the pharmaceutical industry to implementation. To achieve this, Unitaid works on innovations around quality and adaptability of new products as well as cost effectiveness and delivery systems. But for these innovations to be fully successful, they need to be scaled up by multilateral partners, such as the Global Fund.
18. The joint strategic framework aims at strengthening and structuring the relationship between the two organizations through three main areas:
 - i. Defining the joint priorities and timing
 - ii. Embedding the shared guiding principles (country focus and leadership, evidence-based funding, alignment between the two organizations, etc.) and,
 - iii. Measuring collective impact.

19. Unitaid and the Global Fund are looking at aligning priorities, harmonizing processes - including around quality assurance - collaborating on advocacy and exchanging best practices around scalability and impact measurement. They are also working on joint funding opportunities.
20. Board discussion. The Board thanked the Executive Directors for the joint presentation, recognized the already strong partnership, and welcomed new opportunities for collaboration. The Board stressed the importance of investing in broad collaboration and mentioned the role of Gavi in this cooperation.
21. The Board suggested that Unitaid be included in the discussions on market shaping strategy both at the Strategy Committee and the Board to take a closer look at the respective strategies and how these can be aligned.

Agenda Item 4: Strategic Performance Reporting - 2018 end of year results

(A) Strategic Performance Reporting – 2018 End of Year Results

22. Presentation. The Vice Chair of the Strategy Committee introduced the session by commending the comprehensive and insightful view of performance provided by the Strategic Performance Reporting. The Secretariat highlighted two key changes made to the reporting since the last Board session, (i) piloting the use of country specific results to improve the granularity and actionability of the performance discussion; (ii) providing greater clarity on the accountability of the Global Fund in achieving the KPIs, to better inform discussions on mitigating actions & next steps within the broader partnership. In terms of KPI results, the Secretariat indicated that there is generally positive progress across the framework, with some challenges, which are detailed in the presentation, available on the Portal.
23. Board discussion. The Board indicated strong support and appreciation for the continued improvements to strategic performance reporting, highlighting the piloting of the use of country-specific data, the definition of Global Fund Secretariat accountability, the increased focus on mitigating actions to address underperformance, and the comprehensiveness of reporting. A suggestion was made for further simplification of presentation format & analysis to elicit increasingly useful reporting.
24. **Data:** The Board welcomed Secretariat efforts to share country-specific data for more KPIs in the future. In addition, it was noted on several occasions how the strategic performance data could be used to inform subsequent board discussions (e.g. on catalytic investments, RSSH, etc.).
25. **Results:** In terms of results, the Board commended the work of the partnership for being on-track to achieve the KPI 1 (Lives Saved) target by 2022, surpassing the target for KPI 11 (Domestic Investments), and initial positive results on KPI 4 (Investment Efficiency).
26. **Challenges:** The Board raised some concerns about the challenges related to KPI 1 (Incidence Reduction), KPI 7 (Absorptive Capacity) in Challenging Operating Environments (COEs), KPI 9c (Domestic Financing for Human Rights and Key Populations) and KPI 12a (Availability of Affordable Health Technologies). Partners expressed support to the Secretariat for assisting in tackling challenges around absorption, incidence reduction, and supplier availability.
27. Secretariat Response.

The Secretariat agreed with the Board on the utility of country-specific reporting and reiterated its intent to share more country-specific data, where possible. The Secretariat welcomed the Board's suggestions on additional potential analyses (e.g., on RSSH, COEs) and indicated willingness to explore these areas. Further, the Secretariat noted the upcoming Strategy Committee deep dive on Sustainability, Transition and Co-Financing (STC).

On KPI 1 (Incidence Reduction), the Secretariat emphasized that projections align with global concerns on 'bending the incidence curves' and discussions are ongoing with partners and within

the Secretariat to determine the best approaches to address this. On KPI 9c (Reporting of domestic investments both in human rights and key population programming), the Secretariat emphasized that the indicator is interim, and assesses countries' *ability to report* on domestic investments. However, the Secretariat indicated that performance is much more positive when assessing countries' ability to report on domestic investments in key populations (with 14 out of 17 countries able to report). This suggests that underperformance is more related to reporting on investments in human rights programming, for which only 8 out of 17 countries were able to report. On KPI 12a (Availability of Affordable Health Technologies), the Secretariat clarified that underperformance was primarily driven by limited suppliers for low-volume pediatric ARVs, where securing more than three quality-assured suppliers may not be feasible; however, efforts are underway to address these challenges and reporting going-forward will disaggregate this measure by high volume and lower volume products to better highlight the root causes.

(B) Resilient & Sustainable Systems for Health (RSSH) Roadmap

28. Presentation. The Secretariat presented a summary of the RSSH roadmap, which was developed in response to the TRP, TERG and OIG reviews of RSSH in 2019. The main objective of the Roadmap is to improve the quality and impact of RSSH investments through a country-level partnership approach. It builds directly on the seven strengthening areas jointly identified by TRP, TERG and Secretariat, and agreed with the Strategy Committee in October 2018. The Secretariat will continue to consult with stakeholders to further refine the approach to implementation.
29. Board discussion. During the discussion, the Board noted its appreciation for the development of the Roadmap and requested regular updates. The Board emphasized that country ownership should remain the basis for the funding requests, that community systems are critical to achieving outcomes, and that there is a need for continued consultation. Linked to this, there was a request to WHO to confirm that community systems continue to be included in both UHC and RSSH. Additional questions were raised around how to best improve partnerships for impact, how to integrate disease investments into health systems, and how to better measure RSSH investments. The Board noted the OIG's recommendation to rethink how the Secretariat is organized to better manage its RSSH investments.
30. Secretariat response.

The Secretariat confirmed that the Roadmap will be implemented in a way that takes the above considerations into account. It noted the need for reporting on, and visibility of, implementation and will work out the most effective means of doing so, with the key principle being to integrate reporting across initiatives for efficiency and coherence.

With respect to UHC and broader systems issues, the Secretariat emphasized that it is important that the Global Fund focuses on issues in the critical path to achieving the Global Fund's mission. There is also a need to ensure that the Global Fund is promoting efficient, effective and sustainable approaches. Regarding country partnership models, it noted that it is important to avoid creating new parallel mechanisms, and that the starting point for collaboration is context specific. Similarly, it noted that integration is context specific and needs to be evidence-based. The Secretariat acknowledged the importance of community systems, and the need for further strengthened community engagement and responses through enhanced engagement.

Finally, there is a clear consensus that the measurement of RSSH needs to be improved, which is a global challenge. One suggestion is to conduct further analyses on investments and impact, and further understand variation in countries on the more positive end of the spectrum. Going forward, the Secretariat will ensure continued consultation with key stakeholders, acknowledging that for some areas, timelines are very tight.

Agenda Item 5: Approval of the Allocation Methodology and Catalytic Investments for the 2020-2022 Allocation Period

31. Presentation. The Secretariat presented the lessons learned, consultation process, prioritization approach and analysis and decision points for the allocation methodology and catalytic investments

for the 2020-2022 allocation period – as recommended by the Strategy Committee. One key lesson learned from the joint review by the TERG, TRP and Secretariat was that catalytic investments needed to be increasingly prioritized and approved earlier to be better aligned with country grants. Therefore, the Board was requested to approve the catalytic investment decision point, to allow for timely operationalization. The Secretariat recommended maintaining the parameters on the movement of funds for scale-up and paced reductions given their continued effectiveness.

32. **Board Discussion:** The Board acknowledged that the proposed decision points were the result of a year-long intensive review by the Strategy Committee, Secretariat and technical partners and that this should be considered in light of the fact that the Global Fund is mid-way through its current six-year strategy. The Chair of the Strategy Committee emphasized that the decision points were built on compromise and evolved according to constituency inputs, including the friendly amendments to help improve oversight. The Chair also welcomed guidance from the Board on the upcoming review of the qualitative adjustments at the July 2019 Strategy Committee meeting.

33. **Allocation methodology:** The Board supported the proposed decision point and:

- i. Noted the robustness of the allocation methodology, welcoming the continued focus on high burden, low-income countries while acknowledging that contextual factors that cannot be fully captured in the allocation formula should be addressed in the qualitative adjustments;
- ii. Emphasized the need for a robust analysis of the global disease split for the subsequent allocation period and encouraged the Secretariat and partners to begin this analysis early and to seek innovative approaches to maximize investments, particularly for TB. The Board inquired on the timeline of the disease split review;
- iii. Highlighted the criticality of accelerating progress in reducing HIV incidence, especially considering trends of rising incidence in certain contexts. Although supportive of the 2020-2022 HIV burden indicator, the Board reflected on the challenges related to incidence data and asked how the Secretariat and technical partners plan to establish reliable metrics and surveillance mechanisms for future allocation periods. The Strategy Committee Chair highlighted the fact that the Strategy Committee relies on technical partners to take the lead on data issues with HIV incidence, as with other burden indicators; and
- iv. Noted that, beyond the funding amounts determined by the allocation methodology, the Secretariat should support and incentivize countries to integrate RSSH across the three diseases to enable a holistic investment in systems.

34. **Catalytic investments:** On catalytic investments the Board:

- i. Supported the \$900 million scenario linked to the sources of funds of \$13.1 billion or above, and the Secretariat's flexibility to propose an additional amount of up to \$100m, and requested that funding for key populations, AGYW and harm reduction be prioritized;
- ii. Noted that there were varying views on the prioritization of some catalytic investments. For example, among others, there were requests to monitor the effectiveness and costs of the RTS,S vaccine, and some constituencies questioned the relative catalytic nature of investments like TERG independent evaluations, CCM evolution and condom programming compared to key populations and AGYW. Ultimately, the Board recognized the importance of compromise and that the prioritization process yielded the best possible options to address key strategic areas from a technical and financial perspective;
- iii. Emphasized the need for a rigorous approval process and regular reporting to better assess the effectiveness, costs and impact of catalytic investments in the 2020-2022 allocation period;
- iv. Inquired how the Secretariat plans on addressing critical catalytic priorities in the lower funding scenarios;
- v. Requested that community systems strengthening be an area of focus in the relevant catalytic investments, particularly service delivery innovations and sustainability, transition and efficiency; and
- vi. Called to all partners to support a successful replenishment that would allow for impactful scale-up of country allocations and full funding of all catalytic priorities in the \$900 million scenario.

35. **Qualitative adjustments:** The Board supported the qualitative adjustment process for the 2020-2022 allocation period and asked for clarifications on the process for providing inputs. The Board provided guidance on several potential factors, including:
- i. HIV incidence as an important metric both generally and particularly in key and vulnerable populations disproportionately affected by HIV, low prevalence settings, contexts of declining human rights and where access to prevention, testing and treatment remain low;
 - ii. Prevention needs for key populations and adolescent, girls and young women, and the size estimates and incidence rates of these populations;
 - iii. Areas where weak health systems may require longer-term investments to address systemic issues, particularly in challenging operating environments that require capacity building and additional support for the health workforce;
 - iv. Refugee needs that should be considered given the additional costs and specific challenges of service delivery to these populations;
 - v. Fiscal space as a consideration beyond transition contexts given the limitations of using GNI per capita to determine a country's economic capacity;
 - vi. Areas of resurgence and rising incidence particularly in transition contexts;
 - vii. Absorption which should not be factored in as a penalty to under-absorbing countries, as this could exacerbate inequities, but rather, become an indication that additional support may be needed to overcome systemic bottlenecks; and
 - viii. Coverage gaps as an important factor, and lessons learned, especially from the West Central Africa region, should be reviewed to address barriers to scale-up.
36. The Board also advised that the qualitative adjustments process should be a holistic approach considering all relevant factors with bi-directional adjustments. Movement of funds should not be directed away from areas most in need. There was a request to consider whether a maximum adjustment (e.g. 10-20%) should be imposed, especially in the context of paced reduction components.
37. Secretariat response. The inputs to the allocation methodology, catalytic investments and qualitative adjustments were welcomed by the Secretariat. The Chair of the Strategy Committee confirmed that there would be further consultations on qualitative adjustments and requested the Board to share written feedback as soon as possible given the timeline for approval.
38. **Allocation methodology:** The Secretariat confirmed that there is a discussion planned at the Strategy Committee meeting in July 2019 on improving operationalization for the 2020-2022 allocation period, including how to incentivize stronger programming. On the timeline of reviewing the global disease split, the review would need to be aligned to the development of the next Global Fund Strategy.
39. **Catalytic Investments:** The Secretariat expressed full agreement with the friendly amendments to the decision point and noted that the amendments were in line with ongoing work to improve the implementation and oversight of catalytic investments for the 2020-2022 allocation period. It was confirmed that community system strengthening would be included in relevant catalytic investments including Service Delivery Innovations. On lower funding scenarios, the Secretariat acknowledged that some catalytic levers would not be available, but that programming can be driven by other policy levers, such as the eligibility policy, and the collaborative efforts of Country Coordinating Mechanisms (CCM), donors and partners.
40. **Qualitative Adjustments:** The Strategy Committee and the Secretariat fully supported continuing the key populations adjustment. It recognized the longer timeframe of utilizing RSSH funds, and plans to leverage available information, such as from the KPI report and OIG WCA Advisory, to apply a nuanced analysis of a country's potential for absorption. It clarified that absorption adjustments in the 2017-2019 allocation period were bi-directional and confirmed that the 2020-2022 allocation period would also take a holistic approach. The Secretariat acknowledged the limitations of the measure of economic capacity and confirmed that it will be leveraging information already applied under the STC policy, such as debt burden and share of government spending on health, in order to take into account fiscal space across the portfolio. In the review of the disease burden indicators, it was determined that the burden indicators do reflect refugee populations to some degree, although this varies depending on country reporting. The review will consider the increased costs for providing refugee services. Other mechanisms such as Emergency

Funds and Multi-Country grants may help address needs not sufficiently covered by country allocations.

41. **Decision Point and conclusions.** The Board:

- Approved the Allocation Methodology for the 2020-2022 Allocation Period (GF/B41/DPO3 and Annex 1 to [GF/B41/02](#)). The Communities delegation abstained from the decision; and
- Unanimously approved the Catalytic Investments for the 2020-2022 Allocation Period (GF/B41/DPO4 and Annex 1 to [GF/B41/03 – Revision 1](#)).

Agenda Item 6: Resource Mobilization Update

42. **Presentation.** The AFC Vice-Chair opened the session commenting on the committee's oversight of resource mobilization, including overall strategy implementation and donor pledge conversion, and encouraged the Board to continue its crucial support to raise at least USD 14 billion for the 6th Replenishment. The Secretariat presented a progress update on the 6th Replenishment campaign and key priorities in the lead up to the Pledging Conference in Lyon in October 2019. The Board and Secretariat expressed deep appreciation to the government of India for hosting the preparatory conference in February, and the government of France for its leading role in replenishment campaign and hosting the Pledging Conference, as well as to public donors setting a positive tone by announcing early – double digit increased – pledges.
43. **Board discussion.** The Board underscored the importance of raising at least USD 14 billion to step up the fight and deliver against the Global Fund Strategy and SDG3 targets. The Board showed confidence in the Secretariat's efforts and ability, in collaboration with the Global Fund partnership and the government of France, to implement the 6th Replenishment strategy and plan for a successful Pledging Conference.
44. **Replenishment host.** In close collaboration with the Secretariat, and under President Macron's leadership, the Government of France and its embassies have been mobilized to support the 6th Replenishment campaign. Among other activities, the French Government has reached out to existing and potential donors to contribute to the replenishment, and to implementer countries to encourage increased national health budgets. The Government of France looks forward to welcoming the Global Fund partnership in Lyon to celebrate a successful replenishment outcome.
45. **Pledges.** The Board encouraged donors to continue the trend of increased pledges to the Global Fund to reach the target of raising at least USD 14 billion. Board constituencies representing civil society highlighted the letter signed by more than 100 organizations in support of the 6th Replenishment. Others reminded the importance of expanding the donor base.
46. **Domestic Resource Mobilization (DRM).** The Board reflected on the ambitious projections to reach USD 46 billion in domestic investments during the 2020-2022 period. The Board encouraged implementer countries to intensify their efforts in domestic funding, and the Secretariat to examine its DRM approaches and collaboration with others in this area.
47. **Global Health Platforms.** Global platforms, including the G20 Osaka Summit and Tokyo's International Conference on African Development, were highlighted as valuable opportunities to showcase the role of the Global Fund in attaining UHC and the SDG3 goals, and to advocate for the 6th Replenishment. Hearing the voices of government and replenishment champions in these events is paramount to make the most of these events.
48. **Civil society.** The Board showed great appreciation for the role of civil society during the replenishment campaign in reaching out to key stakeholders in country to increase domestic finance and contributions to the Global Fund.
49. **Secretariat Response.** The Secretariat reaffirmed the need to raise at least USD14 billion to step up the fight. The Secretariat is working towards this target and all the Global Fund stakeholders will play a critical role. The Secretariat also underscored that the 48% increase in domestic resources for health is paramount to achieve global health targets. Beyond co-financing requirements, the

Secretariat is taking a comprehensive approach to DRM, which is overseen by an internal Steering Committee, led by the CFO which encompasses advocacy, technical assistance and leveraging partnerships. To conclude, the Secretariat thanked the Board for its encouragement and strong support and invited all constituencies to keep up the positive drumbeat in the lead up to Lyon.

50. **Conclusions.** The Board is committed to support the replenishment campaign in collaboration with partners and counts on the new Board Chair and Vice-Chair to continue the work of their predecessors. Board constituencies should assist each other and exchange ideas about how to contribute towards a successful replenishment. Next steps on DRM will be discussed by the Coordinating Group and senior management.

Agenda Item 7: Restricted Financial Contributions

51. **Presentation.** The Secretariat presented the proposed amendments to the Amended and Restated Policy on Restricted Financial Contributions (PRFC), as recommended by the AFC. The AFC reviewed the policy and discussed the key risk elements associated with the proposed amendments, including transaction costs and the risk of creating donor-driven streams of funding. It expressed its support for the proposed changes and confirmed that it would maintain close oversight of the implementation of the policy.
52. **Board discussion.** The Board generally supported the proposed amendments noting the importance of the Global Fund attracting additional funding and increasing opportunities for support from the private sector within a resource-constrained environment.

The Board flagged some risks and concerns, including the creation of a separate donor-driven stream of funding and the potential distraction from the Global Fund's core model. While AFC's oversight and safeguards were acknowledged, the Board reiterated the importance of using the option of restricted contributions only when necessary; and the need for continued monitoring and reporting on funds raised. The Board noted that the potential additional resources to be raised remained to be demonstrated and the importance of better understanding the cost versus additional contribution trade-offs with restricted funding. It noted that it would be helpful to know the scale and type of envisaged opportunities that the Secretariat expects to unlock through the proposed changes and the additional transaction costs related to their operationalization.

53. **Secretariat response.** The Secretariat confirmed that the PRFC was only applicable to Eligible Donors (i.e. the private sector, D2H and Unitaid); and that the proposed policy amendments keep intact all of the principles of the existing policy.

The proposed amendments are expected to result in additional resources mobilized without incurring additional costs, allowing a more effective use of existing resources; and to help unlock several potential transactions with the private sector and Debt2Health.

The Secretariat noted that it carefully balances the risks, costs and benefits of each potential contribution, including non-financial partnership gains, and ensures alignment to the extent possible with Global Fund implementation cycles.

54. **Decision Point and conclusions.** The Board:
- Approved the proposed revisions to the Amended and Restated Policy on Restricted Financial Contributions (GF/B41/DPO5) as set out in Annex 1 of [GF/B41/O6- Revision 1](#). Germany abstained from and the United States voted against the decision;
 - Requested the AFC to continue to oversee the implementation of the policy.

Agenda Item 8: Executive Session

55. The Board met in one Executive Session on day one of the Board meeting. The recording and record of this session were managed in line with Article 22 of the Operating Procedures of the Board and Committees and have been deposited with the General Counsel of the Global Fund.

Agenda Item 9: 2018 OIG Annual Report & Opinion on Governance, Risk Management and Internal Controls of the Global Fund

56. **Presentation.** The OIG opened the session by indicating that the Global Fund is achieving significant programmatic impact, including in difficult operating environments. Remaining challenges include missing TB cases and ensuring programmatic and financial sustainability. While the Global Fund's financial risk profile has improved, fraud risk exposure remains a concern. Secretariat operations have seen continuous improvement and could reach an embedded stage of maturity in the near term. The OIG successfully completed its 2018 work program and is focusing on building its knowledge management processes, increasing efficiencies, and partnerships with peer organizations. While advisory work is an emerging area, assurance remains the cornerstone of OIG work.
57. **Board discussion.** The Board raised the following points:
58. **Collaboration:** The Board asked for close collaboration with the TERG and with in-country partners to avoid duplication of work. The Board appreciated the collaboration with USAID at the country level.
59. **Audit, advisory and investigation:** (i) Considering the West and Central Africa (WCA) review, the Board enquired about the Global Fund role in ensuring capacity transfer when working with INGOs and how bilateral partners can mobilize domestic funding. The Board also requested the French translation of the review and asked for detailed Secretariat actions on technical assistance emerging from the review. The Board felt the need for more time to be devoted for such reviews at the Board, reiterated the need for the OIG's independence and asked that the balance between advisory and assurance remains strong. (ii) The Board noted the lack of Agreed Management Actions (AMAs) on building RSSH at country level and requested the OIG to highlight prompt actions and recoveries when releasing reports. The Board enquired as to what extent do Global Fund staff (e.g. Fund Portfolio Managers) regularly meet civil society members in-country (iii) Thanked OIG for highlighting the role of the private sector in finding missing TB cases and commended OIG for focusing on emerging risk of data-related fraud.
60. **Human Rights:** The Board enquired about the timing for the release of OIG's Human's rights report and asked what has been planned in terms of investigations about sexual exploitation and abuse.
61. **Internal Matters:** The Board enquired if the Global Fund is adopting a context-specific approach to assurance and what is the Inspector General's opinion on the Global Fund's operating model? The Board also requested information on the current situation regarding OIG vacancies.
62. **OIG response.**
63. **Collaboration:** OIG avoids duplication of work when collaborating with in-country partners like Gavi. USAID to be highlighted as a good example of close collaboration on both Audits and Investigations; the OIG also conducts audits jointly with Auditors General, notably in Africa. A summit between the OIG and United States-based IG offices is planned for Q3 2019.
64. **Audit, advisory and investigation:** (i) The French translation of the WCA review will be published in the next two weeks. (ii) The OIG regularly meets civil society when in country, e.g. recently in Nigeria to discuss salary kickbacks, but also, routinely on all country audits. (iii) Global Fund should promote national ownership in program implementation but there is a balancing act with ensuring program delivery in the short-term. For the RSSH audit, OIG's main focus was on Secretariat frameworks and processes rather than highlighting individual countries; the AMAs reflect this. (iv) OIG will continue to focus on the private sector's role, acknowledges that public-private partnerships in health make perfect sense.
65. **Human Rights:** The Human Rights review will be finalized in June. OIG, Secretariat and Ethics Office are working on an Sexual Exploitation and Abuse (SEA) The OIG's role addresses sexual exploitation and abuse of program beneficiaries, e.g. by implementers.

66. **Internal Matters:** The issues which OIG raises do not call into question the Global Fund's business model itself; they look at ways to adapt the business model to different contexts when needed. Of a headcount of 52 within OIG, there are 3 current vacancies which will be filled soon.
67. Secretariat response. The Secretariat noted that country audit reports frequently include RSSH-related AMAs. A detailed action plan will emerge from the Secretariat's country-by-country review. The Secretariat stressed the need for countries to step up but acknowledged that the Global Fund can do a better job in enabling capacity-building, committed to ensuring that FPMs who are not regularly meeting civil society will do so and agreed on the importance of emphasizing the Global Fund takes prompt action on recoveries. It was noted that the Local Fund Agents only form one part of the assurance mechanism and that their scope is limited in countries where UN agencies are Principal Recipients. The Secretariat is very focused on SEA both in terms of standards and on individual cases.

Agenda Item 10: 2018 Annual Financial Report and Statutory Financial Statements

68. Presentation. The Secretariat presented the 2018 Annual Financial Report including the 2018 audited annual consolidated financial statements along with an overview of asset-liability management that covered key sources and uses of funds.
69. Board discussion. The Board recognized the efforts of the Secretariat in producing a comprehensive set of financial statements that are compliant with International Financial Reporting Standards ("IFRS") along with an unqualified, clean audit opinion with no material audit observations. Reflecting on the contents of the 2018 Annual Financial Reporting, the Board noted the following:
70. **Operating cycle.** The financial statements are a clear reflection of the Global Fund's operating cycle. For example, a reduction in income during 2018 is normal and reflective of the operational flows during the second year of replenishment. It was also noted that the 2015-2017 financial reconciliation, to be reported to the AFC in July 2019, would be important for the Board to better understand the allocation results for the Fourth Replenishment.
71. **Operating expenditure.** The Board recognized the Secretariat's efforts on the efficiency gains in rigorously containing the Global Health Campus costs.
72. **Grant expenditure.** The Board noted a drop-in grant expenditure for RSSH grants during 2018, which was mainly due to the phasing impact of the grant lifecycle.
73. **Simplicity of reporting:** The Board encouraged the Secretariat to look at simplifying the financial reports to make them more user-friendly. This will enable the Board to better present the investment case to their respective constituencies. The current technical nature of IFRS based financial statements makes the analysis less obvious.
74. Secretariat response. The Secretariat appreciated the feedback and agreed on simplifying its financial reports to provide a better link with the technical IFRS based financial statements. A proposed solution will be presented to the AFC at its July meeting.
75. **Decision Point and conclusions.** The Board unanimously approved the following decision points:
- The Board unanimously approved, and authorized the issuance of, the Global Fund's 2018 Annual Financial Report (GF/B41/DP06), which includes the 2018 Consolidated Financial Statements that have been audited by KPMG SA and as set forth in Annex 1 of GF/B41/04.
 - The Board unanimously approved, and authorized the issuance of, the Global Fund's 2018 Statutory Financial Statements (GF/B41/DP07), which have been audited by KPMG SA and as set forth in Annex 2 of GF/B41/04.

Agenda Item 11: Appointment of the External Auditor

76. Presentation. The AFC Leadership provided the Board with an overview of the AFC discussions around the reappointment of KPMG SA as the External Auditor of the Global Fund. Based on the results of the performance assessment for the External Auditor's first mandate and the AFC's enquiries with the Secretariat, the Inspector General and the External Auditor, the AFC recommended to the Board the reappointment of KPMG SA for a second term of three years beginning with the 2019 financial year.
77. **Decision Point and conclusions.** The Board unanimously approved the reappointment of KPMG SA as the Global Fund's independent external auditor for a second term of three years beginning with the 2019 financial year (GF/B41/DPo8).

Agenda Item 12: Annual Report and Opinion of the Ethics Officer

78. Presentation. The Ethics Officer gave an update on the 2018 Annual Report and Opinion; an update on the efforts to address bullying and harassment, including sexual harassment, and other abuses of power; and responded to Constituency statements and questions raised at the meeting.
79. Board discussion. The Board thanked the Ethics Officer for good progress and a proactive approach to ethics (including safeguarding) that sets the Global Fund apart from similar organisations and;
- i. Requested regular progress updates on safeguarding and the implementation of the Policy to Combat Fraud and Corruption ("PCFC");
 - ii. Emphasized the importance of rolling out the ethics program in countries and regions and holding implementers accountable;
 - iii. Expressed concern about the pace of rolling out the Code of Conduct for CCM Members;
 - iv. Stressed the importance of an ethical decision-making framework to be able to reach the objectives of the Global Fund;
 - v. Requested clearer reporting on trends and areas for improvement;
 - vi. Requested information about a) the timing and actions to be taken for the OIG audit of the Ethics Framework and the Staff Engagement and Management Survey, and b) clarification as to why the OIG audit has replaced the planned self-assessment of the Ethics and Integrity Framework;
 - vii. Pointed out the importance of environmental sustainability of the Global Fund's work;
 - viii. Highlighted the importance of the role of the Ethics Officer in strengthening the Private Sector framework; and
 - ix. Congratulated the Board Leadership Selection Committee and the very professional work undertaken in the context of ethics.
80. Ethics Officer's response.
- i. Safeguarding/preventing abuses of power: Executive sessions allow for discussion on safeguarding. However, we recognize the need to inform the wider Board more regularly. An update on safeguarding will be made to the EGC in July. Further, the Integrity Due Diligence and CCM Code of Conduct rollout projects aim to strengthen our framework for preventing all forms of wrongdoing.
 - ii. CCM Code of Conduct: Some sessions to roll out the CCM Code have taken place and the pace is accelerating in 2019. The Ethics Office has additional project staff in place and works closely with the CCM Hub through a differentiated roll out model.
 - iii. Environmental sustainability: The Global Fund work towards SDG 3 must consider any impact this may have on other SDGs, including in relation to the environment. Environmental sustainability must be part of our agenda.
 - iv. Ethical decision-making: Considering ethics in decision making will be a key part of Codes of Conduct and ethics training.
 - v. Trend reporting: 2019 represents the third full year of the Ethics program and the Ethics Office will be able to report on trends going forward.
 - vi. OIG Audit of the Ethics and Integrity Framework: The Ethics Office completed a self-assessment as an input to the audit. Fieldwork is complete and report preparation in progress. OIG are aiming for a verbal update to the relevant Committees in July. Once the report is available work will begin to the recommended actions. Staff survey results will be presented to the relevant Committees in July.

81. Conclusion. There were no incremental agreed action points beyond the existing approved Ethics work plan.

Agenda Item 13: Risk Management Report and Annual Opinion of the Chief Risk Officer

82. Presentation: The Secretariat provided an overview of the Risk Management Report and shed light on key thematic areas, i.e. sourcing and supply chain, fraud and fiduciary risk, programmatic risk and risk appetite framework. The Secretariat also noted that the overall risk profile is stable to slightly improving, and that progress towards reducing risk levels for the three risks, which are above target levels, is on track. The Secretariat concluded by noting that at an aggregate the organization can realistically reach an Embedded level of organizational maturity for risk management, internal controls and governance by late 2019.
83. Board discussion. The Board made the following points in response to the Secretariat's presentation:
84. **HIV prevention:** concern was expressed that HIV prevention, which is a key element of program quality, is receiving insufficient focus.
85. **Quality of Health Products:** concern was expressed that the standards that apply to Global Fund purchased products do not apply to products purchased through co-financing and in transition contexts with domestic funding.
86. **Human Rights & Gender Inequality:** the need to ensure integration of human rights and gender equality considerations into the Secretariat's core processes was highlighted.
87. **Balancing fiduciary risk & programmatic impact:** concern was expressed that the Additional Safeguard's Policy (ASP) is creating imbalance between financial controls and programmatic impact.
88. **Reaching embedded:** the revised timeframe for reaching Embedded was noted and assurance was sought that the target of late 2019 can be achieved.

The Board also made several other points including in relation to drug and insecticide resistance, transition, resilient and sustainable systems for health, and the importance of collaboration.

89. Secretariat response. The Secretariat made the following points in response:
90. **HIV prevention:** it was confirmed that whilst HIV prevention is not specifically discussed in the Risk Report, it is a high priority, especially with rising incidence. The Organizational Risk Register (ORR) includes a range of different mitigations related to HIV prevention.
91. **Quality of Health Products:** it was noted that it was previously agreed with the Strategy Committee that the Global Fund should focus on ensuring the quality of Global Fund purchased products, albeit that this focus may need to broaden over time. It was also confirmed that through Wambo the Secretariat is trying to ensure that countries which have transitioned out of Global Fund funding can continue to take advantage of the GF agreements. For TB medicines, the Global Fund will continue to procure first and second line drugs from the Global Drug Facility.
92. **Human Rights & Gender Inequality:** it was confirmed that several different mitigations are in place to address these risks. Mainstreaming human rights and gender considerations into grant management continues to be a high priority.
93. **Balancing fiduciary risk & programmatic impact:** an overview was provided on the approach to balancing fiduciary risk and programmatic impact including, conducting regular Portfolio Performance Committee reviews of High Impact and Core portfolios. It was also noted

that the Risk Appetite Framework enables higher risk to be taken, when appropriate, but that the benefits of trade-off decisions take time to materialize. On the ASP, it was noted that the policy has been revised and its application will be reviewed on a country-by-country basis, in the context of the Risk Appetite Framework, to see where controls can be reduced.

94. **Reaching embedded:** it was confirmed that the organization is in a strong position to reach Embedded by late 2019.
95. **Conclusions.** The Board concluded by noting its role in relation to embedding risk management and governance and that it needs to think, in the long term, about the areas it wants to prioritize for oversight to ensure it is able to exercise its role effectively.

Agenda Item 14: Strengthening Committee Selection Process

96. The EGC Vice Chair thanked the Board for their engagement in the extensive effort to strengthen the committee selection processes and for the opinions voiced over several months. Citing the limited amount of time available at the Board meeting that prevented careful consideration of any new options proposed, the EGC Vice Chair transmitted the recommendation by the EGC that the proposed decision point on Strengthening Committee Selection Processes and related discussion be withdrawn at this stage. The EGC Vice Chair proposed that the EGC Working Group on Committee Selection Processes continues its work. With the support of Board Leadership and in response to feedback from Board members, the EGC Vice Chair gave the assurance that all inputs received would be taken into consideration by the EGC Working Group for further deliberation.

97. **Appreciation of Outgoing Chair and Vice Chair**

98. Agenda item 14 was then replaced by a surprise appreciation session for the outgoing Board Chair, Aida Kurtović, and Vice Chair, John Simon, for the extraordinary leadership that they provided throughout their time in their roles. The Executive Director particularly thanked the Chair and Vice Chair for their immense support in strengthening the governance processes and bringing innovative ideas (e.g. the Coordinating Group) to the table. Their leadership and support were further acknowledged by the Private Sector and Communities delegation on behalf of the Board.

99. **Decision Point:** The Board unanimously approved a decision noting its Appreciation of the Outgoing Chair and Vice-Chair of the Board (GF/B41/DPO9).

Agenda Item 15: Audit and Finance Committee Priorities

100. **Presentation.** The Audit and Finance Committee (AFC) leadership provided an update to the Board around five areas of priority (i.e. financial and replenishment oversight, audit oversight, oversight of the three lines of defense, oversight to ensure an efficient and effective Secretariat, and making linkages on cross cutting issues with Strategy Committee).

101. **Board discussion.** The Board thanked the committee leadership for the succinct presentation and a comment was raised in relation to the role of the AFC in linking the dots with the Strategy Committee on domestic financing and what would be AFC's role in overseeing domestic resource mobilisation.

102. **AFC response.** The AFC leadership see a clear role for the Board in overseeing domestic financing, e.g. the leveraging role the Global Fund plays and how this affects the Fund's future funding position. However, matters around oversight are still under discussion with the Secretariat, Coordinating Group (CG) and Strategy Committee.

103. **Secretariat response.** The Secretariat appreciates the Committees' and Board's insights as it makes progress in domestic resource mobilisation efforts. However, the precise modality and Committee mandates for overseeing this area are still under discussion.

Agenda Item 16: Ethics and Governance Committee Priorities

104. Presentation. The Ethics and Governance Committee (EGC) Vice Chair provided an update to the Board on the priority items that will be discussed by the EGC over the coming months, including regarding several governance strengthening initiatives, reflections on the recently concluded Board Leadership Selection Process, Constituency Funding, and the revision of certain ethics policies. The Vice Chair highlighted critical elements linked to the Governance Action Plan that will be further considered in 2019 including on Elevating Board Discussion, Governance Culture and Leveraging the Role of Committees to identify the areas that will be brought to the Board in the future.
105. Board discussion. The Board welcomed the work of the EGC. The Chair of the Board Leadership Nominations Committee, Ambassador Seydoux, extended her appreciation to the EGC for their support throughout the Board Leadership Selection Process. The Board acknowledged the recent entry into force of the Agreement on Privileges and Immunities (P&I) yet cautioned that the speed by which it is being signed and ratified needs to be increased. The role of the Secretariat and its location in Geneva were identified as potential avenues. A question was raised regarding the involvement of non-represented constituencies in the work of the committee.
106. EGC response. The EGC Vice Chair acknowledged the need to increase the rate of ratification of the P&I Agreement and underlined the role of both the Secretariat, the Board and other Global Fund country mechanisms towards this. The Vice Chair underlined the various ways by which non-represented constituencies can contribute to EGC deliberations, including through participation in open consultation calls, as observers at the in-person EGC meetings and through the submission of constituency statements in advance of the EGC meetings.

Agenda Item 17: Strategy Committee Priorities

107. Presentation. The leadership of the Strategy Committee (SC) outlined the work undertaken since November 2018 and highlighted the key priorities for the remaining tenure. The SC Vice-Chair provided the update to the Board on key areas of oversight of policies, strategic objectives and approaches to implementation as well as monitoring performance through various tools such as independent review (TERG, TRP and OIG). The Committee's focus areas in the last few months have been the allocation methodology and catalytic investment, Wambo transactions, RSSH roadmap and CCM evolution. The Vice Chair also presented the Committee's immediate priorities going forward, i.e. qualitative adjustments, operationalization of catalytic investments and deep dives, and review reports coming from TERG and TRP.
108. Board discussion. In response to the presentation, the Board:
- i. Requested for antimicrobial resistance (AMR) to be considered in the context of the Global Fund strategy.
 - ii. Highlighted the relevance of human rights and gender equality, and Strategic Objective 3 more broadly, and called for future deep dives in that regard.
 - iii. Proposed development of the STC-related KPI to evaluate and monitor the progress.
 - iv. Requested that emergency funding for ineligible countries be discussed at the Strategy Committee.
109. SC Response. The SC Chair clarified that within its oversight role, the Committee considers broader resistance issues, i.e. drug and insecticide resistance, and does recognize the need to monitor it closely. The Executive Director reiterated the importance of AMR and the role of the Global Fund in addressing this challenge. On the issue of human rights and gender equality, the SC Chair and Vice-Chair encouraged the Board to share their input, noting that the issue is complex and requires a comprehensive dialogue and consultation. They also confirmed that the KPI related to STC will be considered and factored into the 2020 KPIs.

Agenda Item 18: Close of Board Meeting

110. The Chair of the Board, Aida Kurtović, provided the closing remarks by starting with thanking the outgoing Board Members and Alternates for their immense efforts and contributions. The Chair also thanked the outgoing Vice Chair, John Simon, for his wisdom, integrity, leadership and support throughout their term, and thanked the Board Members and Alternates for their dedication and contributions to the vision and mission of the Global Fund. The Chair also acknowledged the commitment, talent and hard work of the Secretariat and the Office of Inspector General and wished the Global Fund all the best with the 6th replenishment.

Annex 1. Decisions Taken at the 41st Board Meeting ([Website link here](#))

Decision Point number	Decision Point text	Voting summary		
		For	Against	Abstain
GF/B41/DP01	Appointment of Rapporteur Allan Maleche from the Developing Country NGO constituency is designated as Rapporteur for the 41st Board Meeting.	Unanimous		
GF/B41/DP02	Approval of the Agenda The agenda for the 41st Board Meeting (GF/B40/01) is approved.	Unanimous		
GF/B41/DP03	Allocation Methodology 2020 – 2022 1. The Board notes: <ul style="list-style-type: none"> a. Its decision in April 2016 (GF/B35/DP10) that (i) established the allocation methodology for the 2017 - 2019 allocation period; (ii) acknowledged the technical parameters for the 2017 - 2019 allocation period; and (iii) affirmed the restatement of core parts of the principles and framework for the allocation-based funding model (the “Core Funding Model Principles”); and b. The decision by the Strategy Committee (the “SC”) in March 2019 (GF/SC09/DP02), under authority delegated by the Board, to establish technical parameters for the 2020 – 2022 allocation period (the “Technical Parameters”). 2. Accordingly, based on the recommendations of the SC, as presented in GF/B41/02, the Board: <ul style="list-style-type: none"> a. Approves the allocation methodology presented in Annex 1 to GF/B41/02 (the “Allocation Methodology”); b. Acknowledges the Technical Parameters for the 2020 – 2022 allocation period, as presented in Annex 2 to GF/B41/02; c. Approves that no more than USD 800 million of sources of funds available for country allocations be used to ensure scale-up, impact and paced reductions, as described in paragraph 4.c of the Allocation Methodology; and 	Canada Switzerland Australia, European Commission/ Belgium/Italy/ Portugal/ Spain, France, Germany, Japan, Private Foundations, Private Sector, Point 7, UK, Developed NGOs, EMR, Developing NGOs, EECA, ESA, LAC, SEA, USA, WCA, WPR		Communities

Decision Point number	Decision Point text	Voting summary		
		For	Against	Abstain
	<p>d. Reaffirms the Core Funding Model Principles, as presented in Annex 3 to GF/B35/05 – Revision 1.</p> <p>3. Accordingly, the Board:</p> <p>a. Requests the SC to review and approve, at its July 2019 meeting, the method by which the Secretariat will apply and report on the qualitative adjustment process; and</p> <p>b. Acknowledges that the Allocation Methodology and Technical Parameters shall apply for the 2020 – 2022 allocation period and supersede the 2017 – 2019 allocation methodology and technical parameters presented in GF/B35/05 – Revision 1.</p> <p>Budgetary implications: None.</p>			
GF/B41/DPO4	<p>Catalytic Investments for the 2020-2022 Allocation Period</p> <p>Based on the recommendation of the Strategy Committee (the “SC”), as presented in GF/B41/03 - Revision 1, the Board:</p> <p>1. Acknowledges that the total amount of sources of funds for allocation for the 2020-2022 allocation period will be decided by the Board in November 2019, based on the recommendation of the Audit and Finance Committee following announced replenishment results from the 6th Replenishment;</p> <p>2. Approves that the total amount of funding for catalytic investments in the 2020-2022 allocation period, as described in the Allocation Methodology approved under GF/B41/DPO3, will be determined by the total amount of sources of funds for allocation for the 2020-2022 allocation period;</p> <p>3. Approves catalytic investments for the 2020 – 2022 allocation period as set forth in the scenarios described below:</p> <p>i. <u>USD 900 million scenario</u>: If sources of funds for allocation for the 2020 – 2022 allocation period are greater than or equal to USD 13.1 billion, USD 900 million will be made available for catalytic investments, in accordance with the priorities and associated costs set forth in Table 1 of Annex 1 of GF/B41/03 - Revision 1 (“Annex 1”);</p>	Unanimous		

Decision Point number	Decision Point text	Voting summary		
		For	Against	Abstain
	<p>ii. <u>USD 800 million scenario</u>: If sources of funds for allocation for the 2020 – 2022 allocation period are below USD 13.1 billion and greater than or equal to USD 12.1 billion, USD 800 million will be made available for catalytic investments, in accordance with the priorities and associated costs set forth in Table 2 of Annex 1;</p> <p>iii. <u>USD 600 million scenario</u>: If sources of funds for allocation for the 2020 – 2022 allocation period are below USD 12.1 billion and greater than or equal to USD 11.1 billion, USD 600 million will be made available for catalytic investments, in accordance with the priorities and associated costs set forth in Table 3 of Annex 1;</p> <p>iv. <u>USD 400 million scenario</u>: If sources of funds for allocation for the 2020 – 2022 allocation period are below USD 11.1 billion and greater than or equal to USD 10.6 billion, USD 400 million will be made available for catalytic investments, in accordance with the priorities and associated costs set forth in Table 4 of Annex 1; and</p> <p>v. <u>USD 200 million scenario</u>: If sources of funds for allocation for the 2020 – 2022 allocation period are below USD 10.6 billion and greater than or equal to USD 10.1 billion, USD 200 million will be made available for catalytic investments, in accordance with the priorities and associated costs set forth in Table 5 of Annex 1.</p> <p>4. Requests the Secretariat to return to the SC with a new recommendation on catalytic investments if sources of funds for allocation for the 2020 – 2022 allocation period are below USD 10.1 billion, for SC recommendation to the Board;</p> <p>5. Agrees that in the event that sources of funds for allocation for the 2020-2022 allocation period are above the midpoint of the funding range specified for a scenario above, the Secretariat may recommend the Board to approve an additional total amount up to USD 100 million for catalytic investments, to be invested in the priority areas for the scenario immediately preceding the applicable scenario in the list above;</p> <p>6. Requests the Secretariat to (i) implement a rigorous approval process for all catalytic investments, including strategic initiatives, by a review body with clear and transparent management of conflicts of interest to maintain the integrity of decision making, whether financial or programmatic; (ii) execute a credible, robust technical</p>			

Decision Point number	Decision Point text	Voting summary		
		For	Against	Abstain
	<p>review process on the activities, mechanisms, and the requested amounts; and (iii) report regularly to the SC on all catalytic investments; and</p> <p>7. Notes the Secretariat will (i) have flexibility to operationalize catalytic investments; (ii) update the SC and Board on such operationalization; (iii) have flexibility to reallocate associated costs among the approved priorities under any applicable scenario, within 10% of the approved amount of associated costs for a specific priority; and (iv) present any reallocations of associated costs exceeding 10% for a specific priority for the SC's approval.</p> <p>Budgetary implications: Associated management costs will be covered by catalytic investments and/or operating expenses as applicable.</p>			
GF/B41/DP05	<p>Approval of the Amended and Restated Policy on Restricted Financial Contributions</p> <p>Based on the recommendation of the Audit and Finance Committee, the Board approves the Amended and Restated Policy on Restricted Financial Contributions, as set forth in Annex 1 to GF/B41/06 – Revision 1, which shall supersede the Amended and Restated Policy on Restricted Financial Contributions approved by the Global Fund Board in May 2017 under decision point GF/B37/DP08.</p> <p>Budgetary implications: None.</p>	<p>Canada Switzerland Australia, European Commission/ Belgium/Italy/ Portugal/ Spain, France, Japan, Private Foundations, Private Sector, Point 7, UK, Communities, Developed NGOs, EMR, Developing NGOs, EECA, ESA, LAC, SEA, WCA, WPR</p>	<p>United States</p>	<p>Germany</p>
GF/B41/DP06	2018 Annual Financial Report	<p>Unanimous</p>		

Decision Point number	Decision Point text	Voting summary		
		For	Against	Abstain
	The Board authorizes the issuance of, and therefore approves, the Global Fund's 2018 Annual Financial Report, which includes the 2018 Consolidated Financial Statements that have been audited by KPMG SA, as set forth in Annex 1 to GF/B41/04.			
GF/B41/DP07	2018 Statutory Financial Statements The Board authorizes the issuance of, and therefore approves, the Global Fund's 2018 Statutory Financial Statements, which have been audited by KPMG SA, as set forth in Annex 2 to GF/B41/04.	Unanimous		
GF/B41/DP08	Appointment of the External Auditor Based on the recommendation of the Audit and Finance Committee, as set forth in GF/AFC09/DP03, the Board authorizes the reappointment of KPMG SA as the Global Fund's independent external auditor for a second term of three years beginning with the 2019 financial year. Budgetary implications (included in the OpEx budget)	Unanimous		
GF/B41/DP09	Appreciation of Outgoing Chair and Vice-Chair of the Board The Board expresses its deep appreciation to Aida Kurtović for her leadership as Chair of the Board. Over her time working with the Global Fund as Board Member for the Eastern Europe and Central Asia Constituency, Vice-Chair and Chair of the Board, Aida has shown a high degree of personal commitment, willingness to devote time and energy to the work of the Global Fund, and particular attention to engagement with constituencies. The Board recognizes her significant contribution to the priorities of the Global Fund over many years. The Board also expresses sincere gratitude to Amb. John Simon for his leadership as Vice-Chair of the Board. He has served the Global Fund with dedication, and has been an active driver of governance effectiveness, relationship building and collaboration that will have a lasting impact on the Global Fund.	Unanimous		

Decision Point number	Decision Point text	Voting summary		
		For	Against	Abstain
	<p>During their tenure, the outgoing Chair and Vice-Chair have presided over significant deliberations and decisions that will continue to shape the future of the Global Fund. Under their leadership, the Board appointed the Executive Director, guided resource mobilization efforts, adopted key decisions, including, the Revised Eligibility Policy and criteria regarding potential engagement with on-eligible countries in crisis, a strengthened Board Leadership Selection Process, the CCM evolution initiative, the Allocation Methodology and Catalytic Investments for the 2020-2022 Allocation Period, and integrated additional public donors into the Global Fund Governance Structure.</p> <p>The Board wishes Aida and John every success in their future endeavors and bestows upon them the honorary titles of Chair Emeritus and Vice-Chair Emeritus of the Board, respectively.</p>			

Annex 2: 41st Board Meeting Documents List

Reference	Document Title
For Decision	
GF/B41/01	41 st Board Meeting Agenda
GF/B41/02	Allocation Methodology for the 2020-2022 Allocation Period
GF/B41/03	Catalytic Investments for the 2020-2022 Allocation Period
GF/B41/04	2018 Annual Financial Report - Including the 2018 Consolidated Financial Statements and 2018 Statutory Financial Statements
GF/B41/05	Appointment of the External Auditor
GF/B41/06 – rev 1	Update on the Implementation of the Amended and Restated Policy for Restricted Financial Contributions and Proposal for Revision
GF/B41/07	Recommendation to strengthen the Committee Selection Processes
For Information	
GF/B41/08	The Office of the Inspector General 2018 Annual Report - Including an Annual Opinion on Governance, Risk Management and Internal Controls
GF/B41/09	Office of the Inspector General Joint Agreed Management Actions Progress Report
Strategy Development	
GF/B41/10	Community, Rights and Gender Report
GF/B41/11	Report of the Technical Evaluation Reference Group
Governance and Ethics Oversight	
GF/B41/12	Report of the Coordinating Group
GF/B41/13	Global Fund Ethics Office Annual Report and Opinion 2018
Assessment of Organizational Performance	
GF/B41/14	Strategic Performance Reporting – end 2018
Risk Management	
GF/B41/15	Risk Management Report and the Chief Risk Officer's Annual Opinion
GF/B41/16	Recoveries Report for the period ended 31 December 2018
Resource Mobilization	
GF/B41/17	Update on Resource Mobilization

Annex 3. Glossary of Acronyms

AFC Audit and Finance Committee

ALM Asset Liability Management

AMAs Agreed Management Actions

BLNC Board Leadership Nominations Committee

CCM Country Coordinating Mechanism

CFO Chief Financial Officer

CRG Community, Rights and Gender

CRO Chief Risk Officer

CRP Country Results Profiles

ED Executive Director

EGC Ethics and Governance Committee

GHC Global Health Campus

HSS health systems strengthening

KPI key performance indicator

STC Sustainability, Transition and Co-financing Policy

ODA Official Development Aid

OIG Office of the Inspector General

OPEX operating expenses

RSSH Resilient and Sustainable Systems for Health

SDGs Sustainable Development Goals

SC Strategy Committee

SIP Strategy Implementation Plan

TERG Technical Evaluation Reference Group

TRP Technical Review Panel

UQD Unfunded Quality Demand

UMI Upper middle Income

WHO World Health Organization

Annex 4: Constituency Statements

All Constituency Statements and Joint Position Papers received on the occasion of the Global Fund Board Meeting are circulated to the Board at real time and made available on the [OBA Portal](#).

The following constituency statements and joint position papers are attached to this report:

- a. Eastern Europe and Central Asia (EECA) Statement
- b. Additional Public Donors (APD) Constituency Statement
- c. United States Constituency Statement
- d. Developed Country NGO Constituency Statement
- e. Developing Country NGO Constituency Statement
- f. Point Seven Constituency Statement
- g. Communities Delegation Constituency Statement
- h. Germany Constituency Statement
- i. France Constituency Statement
- j. Japan Constituency Statement
- k. LAC Delegation Constituency Statement
- l. Africa Joint Constituency Statement
- m. SEA Constituency Statement
- n. UK Constituency Statement
- o. Western Pacific Region Constituency Statement