
Report of the 42nd Board Meeting

42nd Board Meeting

GF/B42/22

14-15 November 2019, Geneva, Switzerland

Board Decision

Purpose of the paper: This document presents the Report of the 42nd Global Fund Board Meeting, held in Geneva, Switzerland, from 14-15 November 2019.

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This document presents the Report of the 42nd Global Fund Board Meeting, held in Geneva from 14-15 November 2019.

Agenda items. The Meeting comprised of fifteen (15) agenda items, including one (1) executive session.

Decisions. The Report includes a full record of the six (6) Decision Points adopted by the Board (Annex 1).

Documents. A document list is attached to this Report (Annex 2). Documentation from the 42nd Board Meeting is available [here](#).

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

Participants. The participant list for the 42nd 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, Donald Kaberuka, welcomed participants, recognised the work of the Committees, the Secretariat and the Office of the Inspector General in preparing for the important decisions to be considered.
2. The Chair and Vice-Chair expressed their gratitude to Board constituencies for their collaborative engagement since their appointment, including consultative calls, missions/visits to implementer and donor countries and engagements with the private sector, communities, civil society organizations and other partners in the lead up to the 6th Replenishment.
3. The Chair thanked the donors, implementers and other partners for the exceptional success of the 6th Replenishment Conference. The Chair recognised the tremendous contribution and leadership of His Excellency, President Emmanuel Macron and the Government of France in securing pledges of over US\$14 billion. He commended Ambassador Stephanie Seydoux for her instrumental role in its success.
4. The Vice-Chair, Roslyn Morauta reiterated the Board Leadership's intention to facilitate more strategic discussions, highlighting the anticipated discussion on the Sustainable Development Agenda (SDG3, in particular).
5. The Chair and Vice-Chair took the opportunity to acknowledge newly appointed Board Members and Alternates and thanked the outgoing Board Members and Alternates for their dedication and contributions to the mission of the Global Fund.
6. The traditional candle of remembrance in memory of those affected by the diseases was lit by Professor Mohammad Abul Faiz, the Board Member from the South East Asia constituency. Professor Abul Faiz highlighted the Global Fund's contribution in saving 32 million lives and encouraged accelerated efforts in addressing the needs of the most vulnerable and marginalised populations. A moment of silence was observed.
7. Decision:
The Board:
 - Unanimously approved the decision to appoint Honorable Senator Mary Isaac representing the Latin America and Caribbean (LAC) constituency to serve as rapporteur ([GF/B42/DPo1](#)).
 - Unanimously approved the agenda of the 42nd Board meeting ([GF/B42/DPo2](#)).

Agenda Item 2: Report of the Executive Director

8. Presentation:
The Executive Director (ED) looked back at what has been achieved against the five priorities set in 2019 and looked forward at the six priorities for 2020 as outlined in the ED's [Annual Report](#). The ED acknowledged the comments provided by the constituencies and addressed them while elaborating on past achievement and future objectives. The ED also announced the creation of a Youth Council led by under-25's, as an advisory body to the ED and Management Executive Committee (MEC).
9. The Board Chair reiterated that the Board needs to keep a sharp focus on the mission of Global Fund, i.e. eliminating the 3 diseases by 2030, and needs to provide the ED and the Secretariat with strategic feedback which can also help in shaping of the next strategy. The Chair thanked the donors for their tremendous support to the Global Fund and also commended the implementing countries for not only covering majority of the health expenditure through domestic funding but also for making pledges in Lyon.
10. Board discussion:
The Board thanked the ED for the comprehensive report, appreciated the progress made against priorities and welcomed the 2020 priorities. The Board underlined the importance of the following in their feedback:

- i. **Resource mobilisation:** Commended the Global Fund Partnership for the successful replenishment and ongoing resource mobilization efforts. The Board underlined the importance of a sustained focus on domestic resource mobilization (DRM), the need for strengthened collaboration between Ministries of Health and Finance to identify synergies for cross-sectoral financing, and the critical role of Civil Society Organisations (CSOs) in advocacy for DRM.
 - ii. **Performance and impact:** Highlighted the issues of performance and under-delivery in some countries despite sustained support from the Global Fund over the years. The programming results need to be given attention in the same way as fiscal accountability.
 - iii. **Key population and gender:** Appreciated the importance of focus on key populations, gender equality and prevention in the ED's report and emphasised that, given the various ongoing bilateral programmes, in this area there is a need to collaborate and focus on what can be done collectively to improve the KPIs on gender and key populations.
 - iv. **Data and Innovation:** Highlighted the need for improvement in data quality and use. The Board also mentioned the need for innovation and bold decisions making as we get closer to the last miles of Agenda 2030.
 - v. **Resilient and Sustainable Systems for Health:** Expressed its expectation to improve impact and quality of RSSH interventions in the next funding cycle and asked for clear and regular reporting regarding the implementation of the RSSH Roadmap at country level.
 - vi. **Collaboration:** Asked how the Global Action Plan will translate at the country level and how it will be linked with and inform the operations of Global Fund. The Board reiterated its support for improving collaboration across the partnership and unlocking further opportunities.
 - vii. **Cross Cutting areas:** Discussed the issues of antimicrobial resistance, hepatitis C co-infection, effects of climate change and migration on the broader ecosystem.
11. ED's response:
- In his response the ED noted that the AFC will be provided with an update on the Global Fund's efforts in terms of DRM and emphasized that the increase in resources for health will mainly need to come from the countries themselves as stated in the investment case. In terms of performance, the ED stressed that active dialogue on performance issues will be a personal priority in the next cycle. The Global Fund will engage in dialogue with countries to stimulate leadership, engagement with CSOs and political willingness in tackling under-delivery. With the early approval of Strategic Initiatives, the Global Fund and partners will be facilitating technical assistance to countries in areas such as strengthening supply chain, AGYW, RSSH, and development of funding requests. The ED highlighted the importance of strengthening collection, analysis and use of data in a timely manner and called on the Global Fund partnership to work together to tackle the data challenges, which have ramifications beyond the three diseases and need efforts from the entire partnership.
12. Concluding remarks:
- The Board Chair thanked the Board for their comments and the ED for elaborating on key issues raised. The Chair reiterated his support for the establishment of a diverse, gender balanced Youth Council. The Chair called upon the Board to collectively work on reaching the 73 million vulnerable people comprising refugees, internally displaced and illegal migrants as a broader effort on stabilizing those who have been uprooted from once stable societies.

Agenda Item 3: Sources and Uses of Funds for the 2020-2022 Allocation Period

- 13. Presentation:
- 14. The Secretariat presented the AFC's recommendation for funds to be made available, and the corresponding uses for country allocations and catalytic investments for the 2020-2022 allocation in line with the Strategy Committee. The sources of funds were based on pledges announced at the 6th replenishment conference (as adjusted), carry-over from the 5th replenishment and deductions for operating expenses (OPEX). The recommendation included an increase to the country allocation amount by 5% to facilitate the early integration of

additional funding in the grant cycle for impact, based upon forecasted unutilized funds for the 2020-2022 allocation period.

15. Board discussion:

The Board supported the proposed allocation of funds. It expressed appreciation for the Global Fund in taking initiative to increase efficiency in use of funds and absorption while noting the following key points:

- i. **Governance:** The Secretariat was requested to confirm that the additional 5% funds for country allocations is in accordance with the Comprehensive Funding Policy (CFP).
- ii. **Financial statements:** The Secretariat was requested to confirm there is no consequential impact to the Asset and Liability Management (ALM) or financial statements processes due to the additional 5% allocation.
- iii. **Portfolio Optimization:** Portfolio Optimization remains a key tool to manage the portfolio over the 2020-2022 allocation period.
- iv. **Additional budget allocation:** Additional budget allocation (“over-budgeting”) is a method used in some donor countries in their budgeting approach.
- v. **Impact on pace reduction countries:** What is the impact of the allocation on pace reduction countries?
- vi. **Impact on absorption:** Clarity requested on the impact the additional 5% will have on country absorption and removing bottle necks.
- vii. **Multi-country grants:** Request for additional multi-country grants to Western Africa.

16. Secretariat response:

The Secretariat thanked the Board for the very rich and insightful comments. The Secretariat confirmed that the **allocation of an additional 5%** is in accordance with the CFP and will be monitored regularly through the ALM reporting at each AFC meeting. The additional 5% is also targeted to addresses structural absorption issues at portfolio level, rather than country specific issues e.g. as identified in the Western and Central Africa advisory report (GF-OIG-19-013) for which there are specific actions to resolve. The goal is to give countries the opportunity for earlier planning and integration of funds into grants for the cycle, and to invest in the areas such as systems and processes (where we typically have lower absorption rates). The 5% will be added to the overall amount to be made available for country allocation. All available resources for allocation will run through the allocation formula and then a qualitative adjustment process. Countries will not see a split from their total allocation, as the total amount will be included in country allocations. The successful replenishment, has given the ability to moderate where impactful some of the paced reductions across the portfolio. The additional 5% adds to our ability to do that. Historically, even high performing countries do not absorb 100% of their funds allocated hence, the risk of all countries absorbing the over-allocated amount is very low. The grant-making and disbursement process will not change and will follow the demand disbursement request process currently in place. Due to the increased replenishment amount and based on past experience of additional resources being identified during the allocation cycle, the Secretariat expects that even with the 5% additional funds for country allocations, the portfolio optimization numbers for the 2020-2022 allocation period should remain consistent with the current allocation cycle to be addressed with existing prioritization mechanisms.

17. In line with the Technical Evaluation Reference Group’s (TERG) assessment, the Strategy Committee and Board agreed that **multi-country funding** must better demonstrate strategic focus and prioritization. Multi-country catalytic investments for HIV have then been approved by the Board to focus specifically on “Key Populations and Sustainability”. Based on technical partner input, the Strategy Committee recommended to the Board that this funding be limited to regions where country transition away from Global Fund financing may occur in the short to medium term and specifically Eastern Europe and Central Asia (EECA), Latin America and the Caribbean (LAC), and South East Asia. An underlying rationale for the Strategy Committee’s decision was to mitigate the impacts of paced reductions in those regions, recognizing that the remainder portfolio would see increases and thus greater capacity to incorporate key population programs into their country allocations.

18. Decision point and conclusion:

The Board:

- i. Unanimously approved the amount of sources of funds and the corresponding uses of funds for the 2020-2022 allocation period ([GF/BM42/DP03](#)).
- ii. Requested update from the Secretariat on progress made on absorption issues.

Agenda Item 4: Approval of the 2020 Corporate Work Plan and Operating Expenses Budget

19. Presentation:

The operating expenses budget and 2020 workplan was presented for 2020 to the board. The Secretariat proposed a budget of US\$ 305m focusing on financial discipline while enabling to meet surge workload related to 2020 grant making and invest in a strategic capability and delivery booster.

20. Board discussion:

The Board acknowledged the secretariat request for additional funds and commended their proactive response to the challenges in the year ahead. Discussion points included:

- i. **Additional US\$ 5m for 2020:** The rationale for the additional funds and the expected impact thereof.
- ii. **3-year OPEX budget ceiling:** The US\$ 900m budget ceiling should not artificially constrain the secretariat and welcome discussion to potentially increase this over the current 3-year cycle.

21. Secretariat response:

The Secretariat responded to the Board comments noting a significant portion of the cost base as fixed or non-discretionary and that efforts have been made to reduce the recurrent cost base compared to the 2019 budget to allow additional focus on strategic priorities in 2020. Given the need to manage 2 key challenges in 2020, including the cyclical surge for grant making as well as the need for structural investment in areas currently under resourced, the additional US\$ 5million OPEX resources requested above the recurrent cost baseline will be used to provide a boost to longer-term capacity investments in critical areas including RSSH, AGYW, Human Rights, Supply Operations and Domestic Resource Mobilisation (DRM). While increased Secretariat capabilities in this area will facilitate increased support to countries, there are several sources of funds for country capacity building including grants and technical assistance. The Secretariat noted that analysis for exceeding the US\$ 900m would be undertaken and that a business case would be presented for consideration at subsequent AFC and Board meetings.

22. Decision Point and conclusion:

- i. Unanimously approved the workplan and budget narrative for 2020 ([GF/BM42/DP04](#))
- ii. Requested future presentation from the Secretariat on the business case to discuss the US\$ 900m OPEX ceiling over the 3-year cycle.

Agenda Item 5: Implementation of the 2017-2022 Strategy: Strategic Performance Reporting – mid-2019 results

23. Presentation:

The Secretariat presented the mid-2019 KPI results report and emphasized the impact level trends reported in the Spring Board have sharpened focus on incidence in internal reviews and preparatory processes for next cycle. At the grant level, the Secretariat described the positive trends in financial performance shown by KPI 7. Positive trends are also observed on KPIs related to programmatic performance and metrics were highlighted where acceleration of progress is required. The Secretariat provided examples of mitigating actions adopted in response to KPIs identified at risk in both the past and current reporting period. Finally, the Secretariat outlined the refinements in KPI definitions and measurement approaches that will serve to strengthen the utility and reliability for improved performance management.

24. Board discussion:

- i. **Challenges to Progress:** The Board recognised the progress made on financial performance but expressed their concern on the slow progress observed in programmatic areas, particularly incidence reduction among AGYW, ART retention and TB treatment success rate. It was noted that KPIs at risk of not achieving targets are predominantly related to key populations and human right barriers to access. Questions were raised on how to interpret the lack of progress on KPI 5 and urged there

be more urgency and momentum in addressing the challenges. To identify and better mobilise levers across the partnership, the Board called upon the Global Fund and technical partners (1) to provide more comprehensive data to understand the issues and drivers of performance and (2) for more utilisation of different streams of information in order to learn what is working and not working.

- ii. **Utilising the report for strategic discussions:** The Board stated its appreciation for the breadth of information provided in the Strategic Performance Report and continues to find the piloting of reporting country specific results useful. The Board would like to utilise KPI reporting as a stronger basis to support strategic engagement with the Secretariat on overcoming performance challenges. The Board would welcome more information distilled through internal processes to address underperformance for strategic discussion around “mission critical” areas. The Board would welcome clarification of the process governing when underperformance or other issues are escalated to the Board for discussion. It was also noted that expanding the reporting of country specific results to further KPIs, particularly those at risk of not achieving targets, would allow meaningful discussion and action.

25. Secretariat response:

The Secretariat welcomed the demand for more strategic discussion around underperformance at the Board. The Secretariat highlighted the existing internal processes to address underperformance, for example through country and enterprise portfolio reviews, and will pursue approaches to share and escalate strategic information to the Board. The Secretariat also recognised the importance of better integrating different sources of information such as OIG reviews and TERG evaluations into strategic performance reporting as well as to support deep-dives into critical mission issues at the portfolio wide level.

26. In response to questions on KPI 5, the Secretariat clarified that all countries with investment in key populations program report on intervention coverage. However, KPI 5 aims to assess availability of comprehensive programs across multiple dimensions including geographic reach, accessibility of the range of critical interventions (differing across populations), the robustness of size estimations and other data points. A minimum standard must be met across all these dimensions. The interim indicator results are yielding critical information to assist the GF and partners to strengthen efforts in ensuring access to comprehensive key population programs across the portfolio, the outcome of which will be measured by the final KPI 5 indicator.

Agenda Item 6: Supply Operations & Evolving the wambo.org Pilot

27. Presentation

The Secretariat stressed the importance of supporting domestic procurement of quality assured products in the fight against the three diseases and the achievement of SDG 3. Through the wambo.org pilot to-date, the Secretariat has identified challenges around 1) access, 2) the pre-payment requirement and 3) in-country legislative barriers. The Board paper and the [recommendation to approve an evolution of the wambo.org pilot](#) addresses access, while a solution to the pre-payment requirement will be presented to the Committees and Board in 2020, and the Secretariat will continue to monitor legislative barriers. In addition, the Secretariat will conduct a multi-stakeholder consultation in 2020 with Board constituencies, report regularly to the Strategy Committee on pilot progress, and present the results of an evaluation along with the future strategy for wambo.org, no later than November 2022.

28. Board discussion:

- i. **Pre-payment and legal barriers:** The Board recognized the importance of addressing, to the extent possible, these two challenges and requested further details of the Secretariat’s progress and thinking to-date.
- ii. **Suitability of the cap:** Some constituencies raised the risk of not accelerating the pilot fast enough given that we are behind on SDG3 and asked if the cap of US \$50m would be too limiting.
- iii. **Links to the Market Shaping Strategy:** The Board indicated interest in covering this topic during the 2020 multi-stakeholder consultations, given the potential of the

- wambo.org pilot to drive increased volumes through PPM and shift the Global Fund's position in the market.
- iv. **Links to the Sustainability, Transition and Co-Financing Policy:** The Board noted that access to wambo.org is only one element of supporting successful transition, but that it is a tool that can be immediately deployed to benefit certain countries in value-for-money procurement. Constituencies expressed interest in understanding other activities the Secretariat is taking to support domestic procurement.
 - v. **Risk mitigation:** The Board stressed the importance of a strong integrity due diligence framework to mitigate reputational risk as the scope of the pilot increases to cover a wider range of buyers.
 - vi. **GDF and wambo.org collaboration:** The Board voiced support for a collaboration between wambo.org and GDF to create a single interface for ordering and managing all TB products and to make the eventual pre-financing solution available for TB pharmaceuticals procured through GDF.
29. Secretariat response:
The Secretariat is planning to propose a mechanism that leverages the Global Fund cash reserve, while effectively managing risk. The mechanism would advance payment to the suppliers and would recover payment from buyers upon delivery of goods. This will be presented to the Committees and Board in 2020. In addition, a study of 15 countries is being conducted to assess national procurement legislation. The countries were selected to provide a diversity of case studies. Grant allocations or additional funding may be available on an ad hoc basis to fund technical assistance and support for national policy dialogues. The Secretariat noted, however, that while it can influence and facilitate, it does not have direct control over these challenges.
30. The cap included in the proposed decision point was proposed as a result of Strategy Committee discussions in which some constituencies expressed a wish to explore the potential impacts on markets and the risk mitigation measures in more detail. It will be reassessed during the 2020 multi-stakeholder consultations, after which the Strategy Committee will have the option to recalibrate it.
31. To-date, volumes through the pilot have been small but could potentially increase with this decision point as more partner-funded procurement could flow through the platform. The Secretariat noted that it already effectively manages risk in this area (i.e. the Global Fund represents a large market share for LLINs) but understands the Board's interest in exploring this topic better. It will be included in the 2020 consultations.
32. Wambo.org is not a full solution to procurement challenges in all countries but is a tool that can be easily made available to countries that choose to use it. A session on Sustainability, Transition and Co-Financing (STC) and procurement will be included in the 2020 consultations.
33. On risk mitigation, the Secretariat intends to develop an integrity due diligence framework applicable to buyers and will present the results at the 2020 consultations. On collaboration, the Secretariat and GDF jointly recognize the value of collaboration and are in the process of discussing the implementation of such collaboration.
34. Decision Point and conclusion:
- i. Unanimously approved the decision on evolving the wambo.org pilot for non-Global Fund financed orders ([GF/BM42/DP05](#)).

Agenda Item 7: Executive Session

35. The Board met in one Executive Session on day one of the Board meeting. The proceedings of

those sessions, and the record arising, were managed in line with Paragraph 22 of the Global Fund's Board and Committee Operating Procedures.

36. The Board approved the decision on the revisions to the selection process of the members of the Board Standing Committees and to the Charters of the Board Standing Committees ([GF/BM42/DPo6](#)).

Agenda Item 8: Office of the Inspector General Progress Report

37. Presentation:

The Inspector General highlighted the four key emerging themes from the OIG's 2020 workplan i.e. data challenges, grant implementation arrangements, supply chain challenges, and financial assurance framework. OIG's 2020 workplan will align with key risks, allocation size and disease burden. OIG's 2020 audits will focus on: bottlenecks to absorption and program implementation; program quality and effectiveness of implementation; data quality; portfolio monitoring and risk management. The results of OIG's 'Getting to embedded' project, looking at Grant Management, Supply Chain, Risk Management and Governance, will be communicated in the 2019 OIG Annual Report. The OIG also presented the main highlights of the [OIG's Human Rights advisory](#).

38. Board discussion:

The Board expressed its appreciation for the value and quality of OIG's reports. Board members commented, or asked for clarification, on the following points:

- i. **Human Rights Advisory and other OIG reports:** The Secretariat's plans to implement the OIG advisory's conclusions and mainstream Human Rights within the organization with a recommendation to develop an implementation plan similar to the West & Central Africa advisory. The Board expressed the wish for further in-depth discussion, and for a deep dive on this issue before it comes to the Strategy Committee in March 2020. The Board also discussed the need for a more structured way to extract lessons learned from OIG reports.
- ii. **Data Issues:** Expressed concern about the accuracy of data and rising data fraud and requested for a data audit and reflections on data strategy of GF. The Board advised to take advantage of next funding cycle for improving data and requested the IG to identify collaboration opportunities with government and partners for data improvement.
- iii. **Policy to Combat Fraud and Corruption:** Expressed concern about the lack of progress on implementing the policy and requested that the AFC henceforth receive annual updates on PCFC implementation.
- iv. **Risk management:** Emphasized the need to think of risk management in programmatic terms, particularly as a means to tackling persistent implementation failures such as programmatic response to key population epidemics and prevalence rates among AGYW. The Board expressed concern over the misuse of funds revealed in the OIG's recent investigation in Zambia, asking for an update on the completion of the outstanding AMA.
- v. **Financial Assurance:** Expressed concern regarding the scope and quality of Fiscal Agents and whether fiduciary arrangements were appropriate to the country context.
- vi. **OIG workplan/coverage and plans:** Requested whether the OIG's workplan could align better with the Global Fund strategy, and to bodies such as TERG and TRP, avoiding any overlap in the current approach. Requested further information on what the IG hoped to achieve during his remaining time in the role, and the current status of open vacancies.
- vii. **International Non-Governmental Organisations (INGOs) & CSOs:** Inquired whether the Global Fund's way of working with INGOs needs to evolve and reiterated its appreciation for how the OIG engages with CSOs
- viii. **Agreed Management Actions:** Discussed the AMAs process and identifying opportunities for quicker completion, and whether timing challenges were affecting AMA implementation.

39. OIG response:

On the Human Rights Advisory, the IG emphasized that OIG advisories are consultative rather than prescriptive. On data issues, OIG's 2020 cross-cutting review of in-country data systems

and data quality will leverage a large body of knowledge from OIG's country audits. On risk management, the IG agreed with the Board on linking risk management to programmatic aspects and has agreed with the AFC that once the Global Fund reaches 'embedded' status, OIG will launch an exercise on risk mapping, expected for 2020.

40. On working with INGOs, the IG stressed the need for striking the right balance; exercising oversight and risk management, when it's necessary to use them, and holding them accountable as we do with countries. On engagement with CSOs, the IG welcomes Board insight on which CSOs OIG should engage with, as they form an integral part of any audit.
41. On operational matters, the IG explained that while TERG and OIG go to the same countries, this does not mean there is overlap, as each asks different questions and looks at different things. OIG will continue liaising with TERG/TRP as needed. For the remaining term of the IG, the OIG's focus will be on consolidating the gains of recent years, further building its reputation among its peers as a model. Two of four vacancies have been filled. There will always be an element of turnover at OIG which is healthy.
42. Secretariat response:
On the Human Rights Advisory, the Secretariat shares the Board's sense of urgency, accepting that the Global Fund must make faster progress. Strategic Initiative funding is in place, and funding for Human Rights in the current cycle has quadrupled from the previous cycle. The Secretariat is increasing resources and accelerating reshaping of the CRG team to align it with Grant Management, so it can better support Country Teams. A Steering Committee has been created for Breaking Down Barriers project; mid-term assessment of the project is ongoing and will inform the next phase. References to Human Rights expectations will be included in allocation letters and other allocation-related communications. The Secretariat agreed that current KPIs are not good enough and need a broader rethink. A full response on Human Rights will be brought to the Board via the Strategy & AFC committees.
43. On PCFC, the Secretariat confirmed that work is under way, as the OIG report acknowledges. A Secretariat Steering Group is making sure that fraud risk pillars are being picked up. There will be robust conversations on this topic at the AFC meeting in March 2020.

Agenda Item 9: Risk Management Report

44. Presentation:
The Secretariat highlighted that the OIG's report to the Board ([GF/B42/06](#)) and the Secretariat's Risk Management Report ([GF/B42/20](#)) are well aligned. It noted that all risks for which risk appetite has been set are within the Board approved risk appetite ([GF/B39/DP11](#)). For those risks which are above target, the trajectory is in the right direction. Risk appetite is enabling the Secretariat to make the trade-off decisions necessary to better balance fiduciary risk and programmatic impact, and to make bolder decisions in order to deliver greater impact. In terms of reaching an Embedded level of maturity for risk management, internal controls and governance, good progress has been made and all evidence agreed with OIG has now been submitted.
45. Board discussion:
The Board highlighted that it is pleased to note that the organizational risk profile is stable to slightly improving and recognized that this is an achievement given the various challenges faced by the Global Fund in delivering on its objectives. The Board also acknowledged the progress that the Secretariat has made in advancing organizational maturity in the context of risk management, internal controls and governance, and noted that it looks forward to an Embedded level of maturity being reached.
 - i. **Balancing fiduciary risk and programmatic impact:** The Board noted that it is encouraging to see that the operationalization of the risk appetite framework is facilitating improved balance between fiduciary risk and programmatic impact and queried whether there would be value in additional Board and / or Committee discussion on how best to achieve this balance.
 - ii. **Domestic resource mobilization:** The Board acknowledged that the goal for domestic resource mobilization is challenging and highlighted the fact that rising

national debt could increase the risk in this context. This needs to be discussed by the Board and its Committees and risk management needs to be central to these discussions.

- iii. The Board also sought clarification on specific risks in the Organizational Risk Register (ORR) including querying why the Risk Management & Internal Controls risks remains high given the progress that has been made to advance maturity and why the OIG is reporting higher risk levels than the Secretariat, particularly in relation to data.

46. Secretariat's response:

The Secretariat re-emphasised that risk appetite has helped in terms of making trade-off decisions between fiduciary risk and programmatic impact but also highlighted the need to acknowledge that accepting higher risks means that some risks will materialize, particularly as the Global Fund increasingly focuses on harder to reach populations. The Secretariat should be making decisions in relation to individual countries but when decisions become more thematic it may need to engage with the Committees and the Board, and a deep dive may be appropriate.

47. In relation to domestic resource mobilization the Secretariat accepted that the goal that has been set is challenging, but at the same time highlighted that progress is not binary. The important thing is to see progress in the right direction and a continuing positive trend.

48. In response to the Board's questions on specific ORR risks the Secretariat confirmed that the risk level for the Risk Management & Internal Controls risk will reduce from the current level of high once an Embedded level of maturity has been reached. In relation to the risks associated with data, the Secretariat noted that a lot of progress has been made in recent years with more complete and timely data now available, and that as highlighted in the Risk Report the focus now needs to be on quality.

Agenda Item 10: Governance Culture & Effectiveness

49. Presentation:

The Ethics and Governance Committee (EGC) Chair opened the session by thanking Board and Committee members for their active engagement during the first phase of this initiative. Joan Dubinsky, EGC member, presented the key findings from Phase 1, including the [six priority themes](#) that were identified for further work. The EGC informed the Board that a time-bound Task Force on Governance Culture comprising of representatives from all three Standing Committees, Board Leadership and the Global Fund Secretariat had been established to help develop actions for later consideration.

50. Board discussion:

The Board was invited to share reflections on the key findings and proposed steps under Phase 2, which aims to identify concrete actions to help preserve strengths and address the challenges identified in Phase 1.

- i. **Recognition and appreciation:** The Board welcomed the forward-looking initiative, the consultative process, the insightful reflections shared by participants, the six priority themes and the suggested way forward for Phase 2. There was agreement that some of the discussions on the Committee Selection Processes reinforced the need for this work and its timeliness.
- ii. **Guiding principles:** The Board agreed that all governance functions should lead to better health outcomes and should be assessed against the mission and objectives. Equality among Board Members is also a fundamental principle that will help achieve the Fund's objectives. Global Fund Governance officials have the opportunity and duty to co-create a culture that will help meet the high expectations and ambitions. Some Board Members pointed out that the desired state of maturity for governance culture should be clarified in order to assess progress and guide possible recalibration along the way.
- iii. The Board agreed that strict definition or **division of roles** could be counterproductive, noting that the strength of the Global Fund partnership model is based on collaboration and dialogue. The Board and Secretariat were encouraged to ensure a more strategic and less operational focus, to ensure that governance bodies

- iv. **Best practice:** Board members pointed out recent positive and successful efforts that should be highlighted as part of the initiative such as the Board Leadership selection process, pre-Board briefings and bilateral conversations that happen prior to and around the Board Meeting.
 - v. **Institutionalize recommendations:** The Board agreed that Phase 2 should include steps to institutionalize findings and recommendations by incorporating them into governance-related documents, processes and structures. Given the diversity of backgrounds and perspectives, the Board agreed that there is a need for a common understanding and language that is shared.
 - vi. There were suggestions to prioritize “**structural changes**” that may be easier to implement before “behavioural change”. For example, onboarding briefings and manuals for new members could more explicitly address principles of the way of working. The Code of Conduct for Governance Officials currently under review could reflect findings from this initiative. The Committee and Board Self-Assessments could refocus the questions to address culture-related issues.
 - vii. **Interconnectedness and inclusion:** Each component of the governance structure, including the Secretariat, has its unique culture, and the initiative should consider how to link them. The Board recognized the value of including the voices of constituency focal points and observers in the next phase of the initiative. CCMs as critical implementing partners of the Global Fund should also be part of future efforts to enhance governance culture and included in the positive climate of change.
51. EGC response:
The EGC thanked the Board for its positive feedback and many constructive suggestions that will inform the work of the Task Force.

Agenda Item 11: Committee Priorities: EGC

52. Presentation:
The Ethics and Governance Committee (EGC) Vice-Chair, Grace Rwakarema, outlined work undertaken since May 2019 and identified governance initiatives to be prioritised for the current EGC's remaining tenure. Under the Governance Action Plan, continuity of specific initiatives was identified for handover to the incoming committee: the work on Governance Culture; Board size and composition; leveraging the roles of committees and continued focus on elevating Board discussions.
53. The Vice Chair also highlighted key priorities for the current EGC to conclude and present to the Board in May 2020, these include: the oversight of the appointment of Committee Leadership and Members; revision of Ethics Codes and Policies; improvements to the Board Leadership Selection Process based on lessons learned and conclusion of a governance performance assessment as per the Board approved revised framework.
54. Board discussion:
The Board thanked the EGC and acknowledged their role in overseeing the successful process of appointing the current Board Leadership. The EGC was commended for undertaking a lesson learned exercise to ensure continuous improvement to the process. Improving confidentiality and the complementarity of candidates in the selection process was encouraged. The EGC was asked to clarify the process for selecting the next Inspector General (IG). The Board also welcomed the report on Privileges and Immunities (P&I) and reiterated that increasing ratifications of the P&I Agreement should remain a priority.
55. EGC response:
The EGC Vice-Chair advised that the selection process for the next IG is in the EGC workplan, the process would start in Q1/Q2 of 2020 for appointment by March 2021. The Vice-Chair also acknowledged the Board's discussion on the ratification of the P&I Agreement and highlighted the EGC's support for a targeted advocacy approach. Board constituencies would be informed to support advocacy initiatives in identified countries.

Agenda Item 12: Committee Priorities: AFC

56. Presentation:

The AFC Chair, Beatrijs Stickers, walked the Board through the AFC priorities leading to the May 2020 Board meeting under the various oversight areas. In her presentation, the Chair stressed a few areas which have been identified by the Committee as needing more intensive work and focus for a thorough handover to the next AFC. The AFC, Vice Chair, Anthony Garnett, added that the Committee will be particularly focusing on assurance mapping and the organisation's achievement of an embedded stage of maturity in terms of risk and controls in order to have a clear process and follow up in place for the future AFC.

57. Board discussion:

Further clarification was requested on the alignment of Secretariat's model with the strategic changes and evolving mandate of the Global Fund and how the Committees and the Board will be overseeing this process.

58. AFC response:

The AFC Chair clarified that the discussions on the business model is for all Committees and the Board. As we move forward with reaching an embedded stage of maturity in terms of risk and controls, and the discussion about the next strategy evolves, the Committees will need to consider what might need to be adjusted to achieve the objectives of the next strategy.

59. ED's response:

The ED reiterated the points clarified by the AFC Chair, that the discussion around Secretariat model is for all the Committees and the Board. As the Board discusses the role of the Global Fund in the SDG3 era and provides direction for the development of the next strategy, there will also be discussion on the focus, resources and priorities for the Secretariat. Proposed strategic changes will have resource, business model and risk implications which will be discussed as part of the development of next strategy.

Agenda Item 13: Committee Priorities: SC

60. Presentation:

The SC Chair, Kieran Daly and Vice Chair, Abdalla Osman (SC Leadership) presented an overview of the main priorities for 2020. Focus was on the TERG work for 2020, the work on the Monitoring, Learning and Evaluation function of the Global Fund, which will also reflect on best practice outside the Global Fund, as well as the process for the development of the next Global Fund Strategy.

61. Board discussion:

The Board welcomed the report and asked for further information on risk oversight (e.g. monitoring of co-financing risk), the focus of the SO3 deep dive, the governance process to consider issues related to SDG3 and the Global Action Plan and highlighted a number of items that should be considered by the SC in 2020, including underperformance. It stressed the following:

- i. **TERG Thematic Reviews:** The Board discussed the focus of the two TERG thematic reviews proposed for 2020. There was general support for a review on HIV prevention. Questions were raised regarding the timeline of the proposed review on Strategic Initiatives and its ability to inform future Sis, while another constituency proposed equity as the focus of the second thematic review instead of Strategic Initiatives. However, it was suggested that equity might be better approached as a lens rather than a review on its own.
- ii. **Deep Dive on Strategic Objective 3:** General appreciation was voiced. Members asked that it should build on previous reports and react to previous recommendations. The Secretariat confirmed that a package would be presented in March, including responses to the OIG advisory on Human Rights.
- iii. **Strategy Development:** The process is to be inclusive and participatory and will reflect communities' perspectives and involvement. The Board requested information on the scope of work for the SC-level working group. It was stressed that the areas currently identified as cross-cutting will be considered in the development of the next strategy. The SC Leadership stressed its commitment to an inclusive process. The

Secretariat will prepare a scope of work for the Working Group with a focus on process. Additional information was provided on the Secretariat-level preparatory processes, which include Secretariat led working groups reflecting input on cross cutting issues. Comments regarding the Partnership Forum will be reflected on together with lessons learned from the last process. It was highlighted that there will be different types of consultations to reach all required stakeholders, including countries.

62. SC response:

In response to the comments and questions, the SC Leadership and the Secretariat responded:

- iv. **Risk areas:** Risk is one of the oversight areas of the SC. It will be considered more comprehensively and systematically moving forward, through risk specific sessions and as a cross-cutting issue when discussing other topics at the SC.
- v. **Underperformance:** The SC leadership acknowledged that additional work is required to understand the root causes for underperformance, ideally by bringing together information from existing reports including the TRP report as well as KPI reports at a future SC meeting.
- vi. **Global Action Plan.** The Secretariat confirmed its willingness to bring information on the Global Action Plan to a future meeting of the SC.

Agenda Item 14: The Global Fund & the SDG3 Agenda

63. Presentation by Peter Piot, Director and Handa Professor, London School of Hygiene & Tropical Medicine:

As a special guest speaker, Peter Piot opened the session. He began by congratulating the Global Fund and Peter Sands for the successful replenishment. This success not only creates unprecedented opportunities, but also a major responsibility, with a risk that pressure will mount to fund a broad range of global health challenges. He reflected on the history of the Global Fund, calling it a true disrupter in international development which is now difficult to imagine the world without. He gave an overview on progress to date with the three diseases and of three global promises: the Sustainable Development Goals (SDG), the recent high-level meeting on Universal Health Coverage (UHC) and the Global Action Plan. While Peter Piot questioned whether the UN Targets of quasi elimination of the three diseases by 2030 could be fully met, he challenged the Board to look past just the Health SDG3, to continue focusing on outcomes for people for UHC rather than just process indicators and asked whether the multilateral agencies present were ready to deliver on the Global Action Plan. Subsequently, Peter Piot articulated 10 key points for consideration with regards to the GF's mandate and the SDG3 Agenda:

- a. Taking a **longer-term view** in strategy and investments.
- b. The GF's priority can only be to **deliver its core mission**; in doing so it must be **results driven. The biggest risk for the Global Fund is to deviate from its core business.**
- c. **Partnerships** are essential to delivery.
- d. Disease investments should be stress tested to ensure they strengthen **health systems.**
- e. **Financial and societal sustainability** of health programmes and systems is an important goal, but it is hard to do in many countries (even in high income countries). There is no silver bullet, and it relies on political will and societal choices, besides fiscal capacity.
- f. **Transition and country financing** should always be on the horizon but should consider more than just GDP as a metric, and instead composite indexes as proposed by the Lamy-Kaberuka report on equitable financing.
- g. Special attention should be paid to those **left behind**, as reaching them is crucial for achieving the SDGs.
- h. The **evidence-base** and **quality** of delivery should be non-negotiable.
- i. The Global Fund should embrace **innovation** faster, not necessarily waiting for slow, risk averse normative guidance.
- j. Invest in the capacity of **metrics, data, and evaluation**, as accountability is a core value of the Fund and a duty to both donors and the people the Fund aims to serve.

Peter Piot thanked the Board and commended them on having these types of discussions.

64. Board discussion:

The Board proceeded to discuss the comments focusing on:

- i. **Mandate:** There was consensus that changing the mandate of the GF was not necessary, and that focus in a broadening landscape and better delivery is key. It was mentioned that better delivery could mean looking into areas adjacent to or enabling the diseases. The Human Capital Project was suggested as such an example. In this adjacency landscape, being cognisant of the GF's comparative advantage as key. Putting countries in the driver's seat of this delivery was reiterated as a priority. Improvement in results for the three diseases would automatically be showing progress on the SDGs.
- ii. **Innovation:** There was acknowledgement that the current pace is too slow and there is broad support for adopting innovation faster. There were suggestions to take on more pilot projects, together with countries, as ways to test these innovations. A regional approach was suggested, learning from the Western & Central Africa effort (En Avant). Emphasis was placed on using data to drive decision-making, especially in the context of innovation and understanding performance.
- iii. **Collaboration:** Collaboration was stressed as key, yet some questioned the degree to which it was happening successfully, particularly country-level collaboration and alignment. Some suggested using the Global Action Plan to lay out clear roles and responsibilities for the various agencies. When asked about the structure of the global health architecture in the Global Action Plan and whether it is effective, Peter Piot acknowledged he sees value in pluralism but suggested working through concrete examples. There was a call to look at partners that have a comparative advantage in areas that the global health community does not excel in, historically, specifically data and analysis. There is also opportunity to partner with more delivery-focused organizations, especially at regional and country-level, such as the World Food Program and Red Cross.
- iv. **Health Systems & Sustainability:** Members of the Board expressed hope that the diseases vs. systems dichotomy was beginning to resolve itself. It was stressed that the GF cannot lose its focus, when considering integrated care packages. It was pointed out that ultimately a sustainable answer for treatment or prevention would not be the GF's role. It does not exist to fund routine activities.
- v. **Those Most Vulnerable:** There was unanimous agreement that focus on those most vulnerable and left behind is critical, and that the GF could not be content with just reaching the 85%. However, there was also acknowledgement that reaching these populations is difficult and tests the limits of the GF model.

65. ED's remarks:

The ED thanked Peter Piot and the Board for their discussion. He stressed that many of the issues facing the global health landscape and the GF require serious discussions about trade-offs. He gave the example of working on health systems because it strengthens performance on the three diseases or rather because it is considered the "right thing to do". He highlighted that the agencies within the Global Action Plan are well committed and noted that objectives could be further aligned. He called on the agencies to remain critically aware that, in the end, countries and communities deliver, not a Global Action Plan. He hoped that this discussion would kick-off the upcoming GF Strategy discussions and expects that the Partnership [Forums] will focus, on asking the right questions.

66. Closing remarks:

The Board Chair thanked Peter Piot for his insightful contribution and complimented the Global Fund and the Board for achieving a high level of maturity in terms of strategic focus, fruitful discussions and culture improvement. The Chair emphasized the need for addressing inequalities, in terms of access to health, not only within countries but also between countries. He highlighted that the success of organizations like Global Fund is in selectivity and doing more of where they have comparative strength. The Chair reiterated the importance of partnership and country ownership and encouraged the Board to collaborate closely with the ministries in developing and driving their national programs. The Chair also stressed on the importance of innovation in delivery methods and requested the Board to think about taking risk in trying new delivery instruments, adapted to specific country context, as we move into

the next grant cycle.

Agenda Item 15: Board Meeting Closing

67. The Chair closed the meeting, reflecting on the results-driven approach of the Global Fund, and the collaborative approach to discussions at this Board Meeting. The Chair also expressed an ambition for future Board discussions to reflect similar consensus-building and exchange, but with minimal procedure. The Board work plan for 2020 and dates for upcoming meetings were shared, and constituencies were reminded of the upcoming launch of the committee leadership selection process, and the importance of identifying strong candidates for these critical roles.
68. The Board and the Executive Director recognized the contribution of Dr Carole Presern as Head of the Office of Board Affairs from 2014 to 2019, and as a former Board Member, commending her passion and longstanding commitment to the mission, her leadership and wisdom, and contribution to the Global Fund and its governance. Lastly, the Chair acknowledged the Secretariat for their work, and all who had made the meeting a success.

Annex 1. Decisions Taken at the 42nd Board Meeting

Decision Point number	Decision Point text	Voting summary		
		For	Against	Abstain
GF/B42/DP01	Appointment of Rapporteur Mary Isaac from the Latin American and Caribbean constituency is designated as Rapporteur for the 42nd Board Meeting.	Unanimous		
GF/B42/DP02	Approval of Agenda The agenda for the 42 nd Board Meeting (GF/B42/01- Revision 1) is approved.	Unanimous		
GF/B42/DP03	Sources and Uses of Funds for the 2020-2022 Allocation Period Based on the recommendation of the Audit and Finance Committee (the “AFC”), as presented in GF/B42/02, the Board decides the amount of sources of funds for allocation for the 2020-2022 allocation period is USD 13.00 billion, comprised of the following amounts, in accordance with the Comprehensive Funding Policy set forth in Annex 1 to GF/B36/02 – Revision 1 and approved through decision point GF/B36/DP04: i. USD 13.25 billion, derived from the announced replenishment results of the Sixth Replenishment (2020-2022), net of certain adjustments; and ii. USD 0.65 billion of forecasted unutilized funds from the 2017-2019 allocation period; iii. to which a reduction of USD 0.90 billion of forecasted aggregate operating expenses for the 2020-2022 allocation period is applied. 2. Based on the recommendation of the Secretariat, made in accordance with its delegated authority from the Board pursuant to decision point GF/B41/DP04, and after consultation with the Strategy Committee, the Board approves the use of an additional USD 0.09 billion for the 2020-2022 allocation period’s catalytic investments, bringing the total amount for catalytic investments for the 2020-2022 allocation period to USD 0.89 billion, to be made available for the priorities and associated costs set forth in Annex 1 of GF/B42/02.	Unanimous		

Decision Point number	Decision Point text	Voting summary		
		For	Against	Abstain
	<p>3.Additionally, based on the recommendation of the AFC and to help ensure the maximum amount of impact and use of funds over the 2020-2022 allocation period, the Board requests that the Secretariat include an additional USD 0.60 billion in the amount used to determine country allocations pursuant to the Allocation Methodology for the 2020-2022 Allocation Period as approved pursuant to GF/B41/DP03 (the “Allocation Methodology”).</p> <p>4.Accordingly, the Board decides the amount of sources of funds for country allocation for the 2020-2022 allocation period is USD 12.11 billion, to which USD 0.60 billion will be added prior to determining the country allocation, to be used in accordance with the Allocation Methodology and decision point GF/B41/DP03.</p>			
GF/B42/DP04	<p>2020 Work Plan and Budget Narrative and the 2020 Operating Expenses Budget</p> <p>Based on the recommendation of the Audit and Finance Committee, the Board approves the following:</p> <p>1.2020 Work Plan and Budget Narrative, as set forth in GF/B42/03A; and</p> <p>2.the 2020 Operating Expenses Budget in the amount of US\$ 305 million, as set forth in GF/B42/03B (the “2020 OPEX Budget”), which includes US\$ 15.24 million for the Office of the Inspector General’s 2020 operating expenses.</p>	Unanimous		
GF/B42/DP05	<p>Evolving the wambo.org pilot for non-Global Fund-financed orders</p> <p>1.Based on the recommendation of the Strategy Committee as presented in GF/B42/04- Revision 1, the Board:</p> <p>i. reaffirms the importance of wambo.org and supports evolving the wambo.org pilot approved by the Board pursuant to GF/B37/DP09, as the number of transactions was increased pursuant to GF/SC09/DP01, to further its development and advancement;</p> <p>ii. decides that, in connection with the evolution of the wambo.org pilot, wambo.org may be made available for non-Global Fund-financed orders by governments and non-government development organizations in Global Fund-eligible and transitioned countries, for all products, services and</p>	Unanimous		

Decision Point number	Decision Point text	Voting summary		
		For	Against	Abstain
	<p>functionalities as they become available on wambo.org, subject, if applicable, to agreement by the product catalogue owners, as described in GF/B42/04- Revision 1, up to a cap of USD 50 million of transactions within the above scope from the date of this Decision Point; and</p> <p>iii. instructs the Secretariat to undertake consultations early in 2020, an evaluation of the wambo.org pilot in 2022 and bi-annual reporting on progress of the wambo.org pilot to the Strategy Committee.</p> <p>2.The Board delegates to the Strategy Committee the authority to:</p> <p>i. approve a higher cap for transactions within the scope of Section 1(ii) above on a pilot basis prior to the consultations in 2020; and</p> <p>ii. establish the future parameters of the wambo.org pilot within the scope of Section 1(ii) above, based on the outcome of the 2020 consultations.</p> <p>3.The Board requests the Secretariat to include the results of the evaluation referred to in Section 1(iii) in the development of a strategy for future advancement of wambo.org to be presented for Board approval at the conclusion of the wambo.org pilot for non-Global Fund-financed orders no later than November 2022.</p>			
GF/B42/DP06	<p>Revisions to the selection process of the members of the Board Standing Committees and to the Charters of the Board Standing Committees</p> <p>The Board, cognizant of the overarching desire of fostering the further participation of constituencies across the Board Standing Committees, and mindful that the composition of the Board Standing Committees should reflect the broad partnership that brings together representatives from donor and implementer governments, communities, civil society, the private sector, the private foundations and the technical partners:</p> <p>1.Expresses its sincere appreciation for the comprehensive work done by the Ethics and Governance Committee (“EGC”) over the course of the last year in relation to the strengthening the process for the selection of committee members.</p>	Unanimous		

Decision Point number	Decision Point text	Voting summary		
		For	Against	Abstain
	<p>2.Decides that the Board Leadership shall consider the principles set out below when submitting the list of proposed members for committee membership pursuant to article 43.3 of the Board and Committees Operating Procedures as of the next selection process of the members of the Board Standing Committees:</p> <p>i. Each voting constituency should be represented in the Strategy Committee (“SC”) and the Audit and Finance Committee (“AFC”) for at least one term within a three two-year terms cycle;</p> <p>ii. Each voting constituency should be represented, in any given term, in at least, the SC or the AFC;</p> <p>iii. For the above committees, the implementer group representation should include government and civil society/communities;</p> <p>iv. Each voting constituency should have the opportunity to have an individual nominated by it serving in their personal capacity in the EGC within a three two-year terms cycle;</p> <p>v. In setting out the list of proposed members, the Board Leadership shall consider experience, competency, continuity and gender balance.</p> <p>3.Decides to amend article 4 of the Charter of the EGC by deleting the words “according to a pre-established rotation of membership of constituencies”; the revised article 4 of the EGC Charter, as amended, shall therefore read as follows: “Nomination and appointment of Committee Members shall be according to the Operating Procedures of the Board and Committees”.</p> <p>4.Decides to amend article 3.a. the Charter of the SC and article 3.a. of the Charter of the AFC by, in each case, increasing the number of voting representatives of constituencies from the implementer group by one; the revised article 3.a. of the Charter of the SC and article 3.a. of the Charter of the AFC, as amended, shall therefore read as follows: “Six voting representatives of constituencies from the implementer group”.</p> <p>5.Decides to amend article 3.b. of the Charter of the SC and article 3.b. of the Charter of the AFC by increasing the number of voting representatives of constituencies from the donor group by one in each case; the revised article 3.b. of the Charter of the SC and article 3.b. of the Charter of the AFC, as amended, shall therefore read as follows: “Six voting representatives of constituencies from the donor group”.</p>			

Decision Point number	Decision Point text	Voting summary		
		For	Against	Abstain
	6. The amendments to the EGC Charter, the AFC Charter and the SC Charter set out in paragraphs 3 to 5 of this decision point shall enter into force upon the expiry of the term of the current EGC, the AFC and SC in May 2020.			

Annex 2. 42nd Board Meeting Documents List

Reference	Document Title
For Decision	
GF/B42/01-Rev 1	42 nd Board Meeting Agenda
GF/B42/02	Sources and Uses of Funds for the 2020-2022 Allocation Period
GF/B42/03A	2020 Work Plan and Budget Narrative
GF/B42/03B	2020 Operating Expenses Budget
GF/B42/04-Rev 1	Evolving the wambo.org Pilot for Non-Global Fund-financed orders
For Information	
GF/B42/05	Report of the Executive Director
<i>Public report</i>	The Global Fund Results Report 2019
GF/B42/06	Office of the Inspector General Progress Report
GF/B42/07	Joint Agreed Management Actions Progress Report
Strategy Development	
GF/B42/08	Technical Review Panel observations on the 2017-2019 Allocation Cycle <i>High-level summary of key themes from TRP review</i>
GF/B42/09	Report of the Technical Evaluation Reference Group <i>High-level summary of key themes from TERG reviews</i>
GF/B42/10	Evolving CCMs to Deliver on the Global Fund Strategy <i>High-level summary with questions for Board discussion</i>
GF/B42/11	Supply Operations Update <i>High-level summary paper</i>
GF/B42/12	Update on Sustainability, Transition and Co-Financing Policy Implementation <i>High-level summary with questions for Board discussion</i>
Governance Oversight	
GF/B42/14	Governance Culture <i>High-level summary with questions for Board discussion</i>
GF/B42/15	Report of the Coordinating Group
GF/B42/16	Annual Report on Privileges and Immunities
GF/B42/17	Annual Report on Status of Board Decisions
Commitment of Financial Resources	
GF/B42/18	Recoveries Report
Assessment of Organizational Performance	
GF/B42/19	Strategic Performance Reporting Mid-2019
Risk Management	
GF/B42/20	Risk Management Report
Resource Mobilization	
GF/B42/21	Resource Mobilization & Replenishment <i>High-level summary paper</i>
Supporting Materials	
<i>Informal document</i>	The Global Fund & the SDG3 Agenda: <i>Suggested reading</i>

Annex 3. Glossary of Acronyms

AFC Audit and Finance Committee

AGYW Adolescent Girls and Young Women

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

CSO Civil Society Organization

ED Executive Director

EGC Ethics and Governance Committee

GHC Global Health Campus

HSS health systems strengthening

KPI key performance indicator

STC Sustainability, Transition and C0-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. Written Statements received from Constituencies

The following constituency statements and joint position papers are available on the [Portal](#).

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

Positions of the Private Sector Constituency

I. Sources and Uses of Funds for the 2020-2022 Allocation Period [GF/B42/02]

While the Private Sector acknowledges the desire of the Secretariat to employ potentially unutilized funds at the start of the funding cycle to help achieve earlier impact, we believe the policy to include anticipated future underspend as a separate line item in the Sources of Funds does not reflect the original intent of the Comprehensive Funding Policy (CFP). We are concerned about the negative precedent that the 'double counting' of funds sets for future allocation periods and we remain concerned that the Board has not fully contemplated the implications of this fundamental shift away from the original intent of the CFP.

Increasing the allocation based on a forecast of underspend indicates a lack of confidence in the Global Fund's ability to increase effective absorption of funds. We would expect that if the Secretariat believes that including this funding in the allocation will lead to faster utilization, this should be reflected in increased utilization and absorption targets in the key performance indicator framework.

II. 2020 Corporate Work Plan and Operating Expenses Budget [GF/B42/03A-B]

The Private Sector supports the 2020 Operating Expenses Budget in the amount of USD 305 million. We look forward to receiving additional information and justification for the desire to increase the USD 900 million budget envelope over the next three years. We reiterate that the budget envelope should not be an artificial constraint on the Secretariat's ability to successfully execute the strategy, rather, it was intended to stimulate careful review of Secretariat operations to ensure fiscal responsibility in an environment of escalating budgets with constrained resources. We welcome further Board discussion on the appropriate level of OpEx based on a prioritized business case, specifically incorporating outcomes of the Strategic Workforce Planning exercise. While we are not wedded to the USD 900 million budget envelope, we believe further Board discussion is needed on the appropriate level of OpEx based on a prioritized business case.

III. Evolving the wambo.org Pilot for non-Global Fund-financed orders [GF/B42/04]

The Private Sector supports the expansion of the pilot of wambo.org in utilizing domestic financing and the discussion on how the platform could be used in transition countries. We note its potential to help countries utilize domestic funds for procurement while maintaining high-quality standards, but we also note the significant number of outstanding risks and remain concerned about the challenges related to further expansion of the platform.

In progressing the pilot of wambo.org, we expect the Secretariat to develop a robust risk-mitigation plan, including the establishment of a due diligence process (including the vetting non-governmental procurers) and additional safeguards to ensure operability of the platform in an expanded setting. In particular, we note the urgency of resolving legal barriers, and would like additional clarity on issues of liability resulting from the expanded remit of wambo.org.

We look forward to further Board discussion of wambo.org following the forthcoming consultation process and for Board decision on the future of wambo.org policy following the completion of its evaluation in 2022.

IV. Report of the Executive Director [GF/B42/05]

The Private Sector appreciates the update by the Executive Director on the progress made against the 2019 priorities and supports the proposed priorities for 2020. The Private Sector congratulates the Secretariat for their hard work

in reaching the ambitious USD 14 billion goal for the next three years. Executing a successful Sixth Replenishment is critical to achieving SDG 3 and eliminating AIDS, TB and malaria by 2030. We would like to thank the Secretariat and all partners for their role in achieving this momentous feat.

We note the important focus the Executive Director places on key issues, including accelerating the data cycle, reducing incidence, implementing differentiated HIV testing approaches, scaling up diagnosis and treatment of MDR-TB, and enhancing vector control. We also support the desire to enhance impact through stimulation of innovation and the important focus on quality assured health products. We recognize the important role of local private sector entities in ensuring timely distribution of health products and offer our support to the Secretariat in achieving this goal.

Finally, the Private Sector notes the Executive Director's charge to frame our shared goals of ending the three epidemics within the broader agenda of UHC and supporting SDGs. We acknowledge this will not be easy, and welcome ongoing discussions around this topic during the Board meeting and at subsequent opportunities during the next strategy development. Additionally, we welcome the results of the TERG Strategic Review 2020, as well as a review of the Sustainability, Transition & Co-Financing, CCM Evolution, and Policy on Co-infections and Co-morbidities, which will inform the strategy development process.

V. Office of the Inspector General Progress Report [GF/B42/06]

The Private Sector supports the OIG's 2020 work plan, budget and KPIs. We appreciate that the budget has remained at a similar level to the envelope approved in 2019. We note the OIG observation that better involvement of private sector is key to improved grant implementation, which is largely limited by absence of a private sector engagement strategy at the grant implementation level. We would urge this issue to be systematically addressed by the Secretariat, as we concur with the OIG that lack of involvement of the private sector is a major challenge to accelerating impact.

VI. Governance Culture [GF/B42/14]

The Private Sector appreciates the update from the Ethics and Governance Committee on the Governance Culture Initiative. We would appreciate clarity on how 'Phase 2' of this effort will concretely address issues that have been raised by various constituencies on concerning aspects of the Board's current governance environment.

VII. Strategic Performance Reporting (mid-2019 results) [GF/B42/19]

The Private Sector appreciates the update on strategic performance reporting, and specifically the inclusion of country-level progress. We welcome the continued release of country-level data for additional KPIs, as it is very helpful in framing the specific impact of Global Fund investments and key challenges to inform future interventions.

Noting the challenges to meaningful engagement with the extensive cohort of countries included in KPI 9c, we support the proposal to narrow the cohort to focus on sustainability of investments in selected middle income countries expected to transition, certain high impact portfolios, and a subset of Breaking Down Barriers countries.

VIII. Risk Management Report [GF/B42/20]

The Private Sector commends the Secretariat's continued progress towards reaching an embedded risk status by late 2019. We concur with the challenges identified and note the actions implemented to date in addressing these challenges and look forward to continued progress updates. We note specific concern about the rate at which we are able to put in place strategies to address programmatic and supply chain risks.

We also remain concerned about striking the right balance between financial and programmatic risk. Given that all risk mitigation measures are financial, how will programmatic risk mitigation be addressed in the future? As such, we encourage a close review of risk management measures in the development of the next Global Fund Strategy.

42^{ème} Conseil d'Administration du Fonds mondial

Déclaration de circonscription de la France

Alors que s'ouvre le premier conseil d'administration suivant la reconstitution, et le dernier conseil avant le début du prochain cycle, la France souhaite avant tout remercier très vivement l'ensemble de la communauté du Fonds mondial de lutte contre le sida, la tuberculose et le paludisme, grâce à laquelle la cible financière ambitieuse de plus de 14 milliards US a pu être atteinte, dont 100 millions US que nous sommes encore pleinement engagés à mobiliser. Cette reconnaissance s'adresse en premier lieu aux donateurs, publics et privés, qu'il s'agisse de ceux qui soutiennent le Fonds depuis toujours, ou qui contribuent pour la première fois : collectivement, nous avons consenti un effort d'une ampleur historique. Au-delà c'est l'ensemble du partenariat qui a contribué à cette réussite, et nous souhaitons rendre hommage aux organisations de la société civile et aux communautés qui grâce à leur plaidoyer ont porté la mobilisation au plus haut. Enfin, le secrétariat a mené une campagne exceptionnelle, sous la conduite du directeur exécutif, Peter Sands et l'ensemble de ses équipes à commencer par celles des relations extérieures, dirigée par Françoise Vanni.

Grâce à ce succès et aux leçons tirées du cycle précédent, le Fonds mondial dispose de toutes les ressources nécessaires pour atteindre un niveau supérieur de performance sur l'ensemble des piliers de sa stratégie dans le prochain cycle de financement. Cette situation inédite est naturellement avant tout une opportunité. Elle emporte également une forte obligation pour nous tous : celle de réussir à ramener la lutte contre les trois pandémies sur la trajectoire de l'élimination à horizon 2030. Nous sommes collectivement redevables de cette réussite, comme nous serions également tenus responsables d'un échec. Nous devons nous appuyer sur l'excellence avérée du Fonds mondial en matière d'impact, d'efficacité des moyens, de performance et d'innovation, pour un rattrapage rapide sur les objectifs essentiels pour lesquels les résultats ne sont pas à la hauteur.

La programmation des subventions qui s'ouvre est notre opportunité d'accélérer les résultats dans les pays les plus fragiles et auprès des populations qui restent encore en marge de nos efforts : les groupes clés, les jeunes filles et les femmes, les enfants et les adolescents. Il faut par ailleurs que chaque dollar dépensé par le Fonds mondial soit assuré d'obtenir un résultat durable, et qu'il puisse être rendu compte de la valeur de ces investissements. Cela renvoie à l'urgence d'intégrer pleinement les objectifs stratégiques 2 et 3, ainsi que la transition, la soutenabilité et le co-financement, dans les cadres de performance de nos subventions. Les fonds catalytiques sont une opportunité pour cela, et les fonds les plus performants devront être étendus au-delà des cohortes actuellement prévues.

Pour cela, une approche différenciée, en étroite échange et partenariat avec les pays d'intervention, est cruciale. Ces pays doivent également être prêts à répondre au défi d'une accélération de l'action, en renforçant si nécessaire leur capacité technique. Des méthodes renouvelées et innovantes, y compris au sein du secrétariat, seront certainement nécessaires afin de réussir ce saut qualitatif : nous sommes prêts à accompagner cet effort. De même, la mise en œuvre du Plan d'action globale pour l'Objectif du Développement Durable n°3, auquel le Fonds mondial contribue activement, doit se traduire par la capacité des organisations impliquées à réduire les coûts de coordination de l'aide pour les pays bénéficiaires, et par des actions concrètes, notamment dans le domaine du dialogue avec les pays sur les politiques et les finances publiques en santé.

La France se réjouit de contribuer aux travaux du conseil d'administration et des comités afin d'accompagner le secrétariat dans cet effort. Nous sommes également déterminés à renouveler nos engagements bilatéraux à l'appui de l'action du Fonds mondial : nous allons renforcer notre

coordination via une lettre d'intention entre l'Agence Française de Développement et le Fonds mondial, rénover la stratégie de l'initiative 5% pour mieux répondre aux défis de l'assistance technique nécessaire pour la prochaine allocation, et prendre une part encore plus active aux instances nationales de coordination grâce à l'implication de nos ambassadeurs et de leurs équipes.

LAC Delegation

Constituency Statement on the 42nd Board Meeting agenda items

The 42nd Board meeting provides the opportunity to define crucial and relevant issues to enable progress on 2017-2022 GF Strategy implementation given that this Board Meeting will be the last opportunity to discuss STC before the allocation decision point to be made at the 43rd Board Meeting.

An overall concern about some of the issues that are presented to the Board is the fragmentation between policies, strategies and their implementation tools, which is particularly but not exclusively reflected in the CCM and Wambo topics. Our recommendation is to present always an integrated vision among them i. e. Governance/ STC / CCM; Market Shaping Strategy /Pool procurement/ Wambo.

We are providing some inputs to the debate in order to achieve the GF mission and vision and its contribution to continue accelerating progress towards ending the three diseases:

Strengthening the commitment to eliminate diseases

Smart use of the allocation methodology and the catalytic funding and the grants design.

Quoting Peter Sands “**we make better progress on reducing mortality than on reducing incidence**”. **Saving lives is essential, but to end the epidemics, and thus save countless future lives, we also have to scale up effective prevention**”.

Following the successful 6th Replenishment, we stress the need to protect components that experienced large reductions. Given the large number of reduced components currently foreseen, even within the higher scenario, qualitative adjustments will be absolutely critical to ensure that reductions are not too sudden or too steep. These adjustments should include Regional contextual factors to capture potential risk of resurgence in the experiences of disease elimination as well as sustainability and transition considerations. The challenge of countries on the road to elimination is not only their own strategy and commitment but also the shared responsibility with neighboring countries especially when there are bordering high burden countries. This is particularly critical in Malaria but also important in the other 2 diseases. We expect the SC and the GAC and TRP to include specific actions in the design and funding of High Burden countries and countries on the elimination list e.g. E2020, that are complementary and conducive to protect resurgence, as well as to develop funding mechanisms to respond to outbreaks after countries have been certified free to prevent setbacks and the consequent loss of the achievements and the investments.

We would like a call for action since we cannot continue doing business as usual and more of the same, we need to find innovative approaches and create innovative GF allocation mechanism specific for countries “ending the epidemic”

Update on STC Policy Implementation GF/B42/12

The LAC Constituency and the HTCG (Horizontal Technical Cooperation Group), with the intention of contributing to harmonize and optimize regional coordination structures, conducted a survey on experiences and opinions regarding the processes and arrangements supported by the Global Fund in the LAC Region. The survey was undertaken through a structured self-applied electronic questionnaire (between March and April 2019) and in-depth interviews to 10 key selected reporters, considered to be relevant actors in the response to the three diseases in the LAC Region. We are pleased to attach the executive summary. Among the most relevant findings, Sustainability emerges as a critical issue in the agenda of the response to the three diseases in the Region according to both the questionnaire and the interviews. Although some responders affirm that countries are beginning to walk on the road of transitioning, most of them consider that there are gaps and pending commitments, and that sustainability is not guaranteed to ensure a full and integral response including prevention and the participation of civil society organizations. Main obstacles to guarantee sustainability are in the political and programmatic areas. On the first one, the concern is about lack of political will and the current scenario of a “conservative” wave among new governments in the Region as well as the economic/financial crisis. On the programmatic side the concern is about reduction or absence of support to civil society organizations as well as absence of an integrated and multisectoral response. This last element was mentioned from almost all the voices of those persons related to the response who belong to CSOs, NGOs and UN agencies.

Another relevant finding is related to the fact that Universal health coverage is seen as a very much needed policy to guarantee sustainability. Nevertheless, taking into consideration the very low number of actions/discussions on this topic where the responders have participated, it seems the topic is not very seriously adopted and incorporated in the national agendas. We also note with concern that the GF Community is not participating in the UHC Debates and encouraging CCM participation in the UHC debates as expected.

In light of the findings, it would be appropriate to recall some key messages highlighted in the previous Board Meeting LAC Delegation Statement, as follows:

Civil Society as key essential player for achieving goals of saving lives. The CSOs and Regional Networks have been embedded in the response at national, regional and global level, as part of the design, implementation and monitoring of country and multi-country grants and reaching effectively the most vulnerable and key populations affected by the three diseases as well as contributing to the increase in their access to prevention. The advocacy role of CSOs has also been critically important to increase domestic funding as well as to secure successful replenishments for the Global Fund itself.

Sustaining the gains and protecting the achievements. As part of the Global Fund responsibility on protecting gains, crucial actions and concrete interventions are needed by the Global Fund and its partners on **the Civil Society Capacity Building initiatives** to ensure that Civil Society will retain and sustain their organizational and administrative capacity, since the Key populations response hinges upon securing CSOs’ operational status, e.g. to support the three diseases response through social contracting programs.

Transitions put Civil Society Organizations and key populations at risk. There is uncertainty about effective mechanisms to ensure the civil society and key populations are not cut off from services and the decision-making bodies as a result of the transition. Key populations programming is often heavily donor-funded and not eagerly absorbed by governments that are also facing challenges with increasing costs and reduced budgets as well as with social contracting e.g. local regulations. Among other issues, including lack of political will to engage with KPs and the complex legal regulations and instruments that impede governments from funding Civil Society Organizations. The Global Fund partnership needs to identify creative approaches to support the protection of civil society's response during and after the transition, such as providing bridge funding that will allow those organizations to advocate for and engage in developing friendly systems for social contracting. Additionally, the strategic objective of building resilient and sustainable systems for health (RSSH) could incorporate an indicator related to Government's capacity to implement social contracting with CSO's with the goal of achieving sustained support with government funding.

Evolving CCMs to Deliver on the Global Fund Strategy **GF/B42/10**

After all the reviews and assessments during the CCM pilots, it is evident that CCMs are crucial pillars for governance at country level and its role is essential at the three stages of the process: pre- grant, grant and post grant implementation. A well-functioning CCM will ensure that the grant reflects the needs and capacities of the country, ensures a successful implementation and sets the ground for STC. In that sense, we are concerned about the proposal of increasing well-qualified oversight officers in terms of cost benefits for achieving the expected results, we are addressing the basic principles of the model of increasing "meaningful participation" in CCMs across sectors, disease programs (including RSSH) and maintaining the active participation of affected populations, including key populations, those living with the three diseases, civil society. Therefore, we would like to see a comprehensive approach promptly defined to address Civil Society Strengthening and sustainability, early involvement and a conducive environment to become local service providers, an across the board approach in Country and Multi-country grants from the very beginning of the Grant making process in order to prevent harmful transitions.

A clear definition of the desired status for an effective governance at country level to successfully address the three diseases is missing and it is crucial to state **if, what for and when** a CCM is needed. We should avoid the risk of perpetuating CCMs as an end in itself and present CCMs as mandatory requirement instead of having a set of principles and processes that need to be in place regardless of pre- defined structure that may disappear when the country's transition out of the GF funding.

Evolving the wambo.org pilot for non - Global Fund-financed orders GF/B42/04

We would like a clear definition of the role and boundaries of the GF in procurement processes given that this is not stated in its mandate and the GF has no representation at country level to be considered a partner in countries that have transitioned from GF financing. We welcome the list of risks but there are still pending risks previously identified that continue to be insufficiently addressed and should be properly mitigated before advancing on the approval of this decision point. 1) Operational risks, a relevant issue is the cost impact of the estimated number of non-grant orders and the over burden to existing Global Fund Staff and eventual pressure on exiting OPEX; 2) Legal risks, we note the absence of liability of GF in transactions using domestic funding as well as the lack of legal liabilities and responsibilities of buyers vs. suppliers in the on-line procurement process. Currently, the Secretariat is conducting the completion of a study of legal barriers which includes only 15 countries. LAC Member States have worked together with PAHO for almost 4 decades within the PANDRAH (Pan American Network of Drug Regulatory Agencies for Health) to strengthen the legal and regulatory framework for medical and health supplies, national health laws, procurement, customs and IP issues particularly public procurement and this is still an ongoing process and a call of attention to the complexity of this undertaking. 3) Strategic Risks, increased volumes (resulting from higher uptake of the wambo.org platform for non-grant orders) may impact the markets for certain product categories. We would like to see a clear alignment between Wambo and market shaping strategy to avoid market concentration and allow for the participation of smaller providers and innovators.

Finally, we need additional information on the purpose and costs related to the multi-stakeholder consultations planned to be addressed in early 2020 and recommend waiting for the results of this to move further along.

Wambo hopefully would become a global public health good and in that sense a collegial Steering group with UN partners with experience in procurement mechanism could be desirable also to better orient their technical assistant capacity.

Global Fund approach to Non-eligible countries in crisis - Second Exceptional Funding Request to Address the Health Crisis in Venezuela

Regarding the recently approved Second Exceptional Funding Request to Address the Health Crisis in Venezuela, we express our appreciation to the excellent team work during negotiations, proposal, implementation and monitoring. We would like to call donors and other countries to subscribe and contribute to the Master Plan to respond to the Venezuela crisis. The results of this investment are encouraging and we should all be proud of that and continue supporting it.



AFRICA CONSTITUENCY STATEMENT TOWARDS THE 42nd GLOBAL FUND BOARD MEETING

GF/B42/04 Evolving the wambo.org Pilot for Non-Global Fund-financed orders

We agree to the Secretariat's observation that while clearly not a full solution to all in-country procurement challenges, making wambo.org available for non-grant orders is one concrete action the Global Fund can easily and immediately implement to support strong, efficient, compliant, quality assured non-grant procurement and maximize countries' ability to achieve greater impacts against the three epidemics.

In **supporting this decision**, however, we propose that attention be given to a number of issues:

- Procurement through Wambo.org should be optional and **allow countries the flexibility to use Wambo** if they consider it to offer benefits, procurement advantages and cost efficiencies.
- The **requirement & condition for advance payment** be thoroughly thought through to avoid it being an impediment as this may not be possible due in some instances to the Public Finance Management Acts & Procurement Policies for different countries that may be using their own funds or other funding sources to procure through Wambo.org.
- We are concerned that while pushing forward wambo.org is important, the decision may largely be based on anecdotal evidence as the consultation will only be undertaken in 2020 and an evaluation of the pilot in 2022. Are we moving ahead of ourselves? Will the findings from the consultations and the evaluation merely rubberstamp the decision to expand wambo.org?
- Given the likely drastic growth of wambo.org should this decision pass, we are of the view that the platform be designed to be a lever for stimulating the growth of manufacturer of medicines and medical products in implementer countries, particularly in Africa, given the Global Fund spends around USD 2 billion a year to procure the continent's commodities.

GF/B42/06 Office of the Inspector General Progress Report

We appreciate that OIG engagements undertaken in 2019 so far have confirmed the trajectory reported earlier that Global Fund investments are generally achieving significant impact. Our concerns remain, especially at lower levels of the supply chain where OIG audits show that while availability of medicines at service delivery points has improved, inventory management, especially at the last mile, continues to be a challenge, due in part, to weak oversight and limited ownership of the in-country supply chain, weak oversight over commodities at district and health facilities level, and insufficient human resources at health facilities.

We strongly support the recommendation and action towards improving Data quality (mainly in terms of internal controls and checks to reduce the risk of data fraud) and Data Use given that in the absence of accurate data, the quality of the decision-making process both at sub-country and at country levels is adversely affected.

GF/B42/08 Technical Review Panel (TRP) observations on 2017-2019 allocation cycle

We appreciate the insightful report from the TRP that has noted a number of overall improvements in funding requests, including: most requests being based on disease-specific, costed NSPs/HSPs; were largely guided by epidemiological and programmatic data; utilization of data to target interventions for KPs; and, addressed RSSH and to some extent financial and programmatic sustainability.

However, there are a number of worrisome and disturbing trends that the report itemizes. A number of countries are reported to have slowed or stalled progress on TB while others have registered increased incidence for

malaria and HIV. We are deeply concerned with the revelation that while there are proposed investments in prevention across the three diseases, as well as in RSSH, that can have an impact on prevention, they **do not generally convey a sense of boldness, innovation or ambition in setting targets or designing interventions; and they lack the urgency to quickly “move the needle” towards ending epidemics.** The example given that, at current trends of decline in incidence, it will take 130 years to end TB. We are also deeply concerned that **while there are some positive trends in HIV prevention programming, particularly as funding requests increasingly include biomedical approaches to prevention, including treatment as prevention, VMMC, PrEP, these are not yet at the scale, to have sufficient impact to end the epidemic and, indeed some countries are still experiencing an increase in new infections. Sustained prevention efforts focused on AGYW and key and vulnerable populations will be needed in addition to the current attention on treatment as prevention. As Peter has stated in his report, “saving lives is essential, but to end the epidemics, and thus save countless future lives, we also have to scale up effective prevention.”** We hope to see more boldness on the prevention front.

We concur with the recommendation to strengthen cross-cutting RSSH programming by ensuring the RSSH investments are coordinated and aligned with other partners, such as GAVI, World Bank, multi- and bilateral partners, to maximize the effect of the combined funding for RSSH. **The Global Fund should update the RSSH modular framework** and associated guidance notes to promote more targeted health systems investments in line with their national health and overall development strategies. Further, **we strongly recommend that Global Fund should also update the framework and associated guidance notes (including the performance measures) to promote more targeted community systems strengthening investments** considering that strengthening community systems and community responses promotes the development of informed, capable and coordinated communities, community-based organizations, groups, networks and structures.

We request Secretariat to update the Board on their plans with respect to incorporating the TRP’s recommendations, specifically on: improving priority setting, increased focus on prevention and reducing incidence, strengthening cross-cutting RSSH programming, community systems strengthening and sustainability and transitioning.

GF/B42/10: Evolving CCMs to Deliver on the Global Fund Strategy

We commend the Secretariat for timely execution of the CCM evolution project and for the encouraging results from the pilot after 10 months of implementation. Key results show that 88% of pilot CCMs now operate at the top two levels of maturity, compared to 31% at the baseline; increased data-based discussions, use of dashboards and increased linkages (94% post pilot compared to only 19% of CCMs that initially engaged in outreach to other structures in country). We are encouraged that the results confirm what we have been calling for in the past two years that with right membership, governance, leadership, capacity, incentives and support, CCMs have the potential to drive not only more effective development and oversight of grants, but also improvements in the mechanisms of health governance within countries to sustain disease and health responses.

We agree to the Secretariat’s proposition for next steps to include incorporating the learnings from the pilots to be part of an evolved model that will be differentiated across 115 CCMs globally, launching in 30 countries in 2020.

As the Secretariat rolls out plans to replicate the CCM evolution project further, we urge the Secretariat to leverage this process to package and sell the multi-stakeholder and cross-sectoral model of CCMs to health ministries as a modus operandi that countries could adopt in addressing different health issues. In particular, the inclusiveness of the model, with its emphasis on ensuring all stakeholders affected by a particular issue are engaged in addressing it, without leaving anyone behind, should be a proven coordination model countries could employ in handling various health issues in their endeavours to achieve the ambitious 2030 SDG3 and UHC goals.

We agree to the proposition that the CCM should leverage the CCM Secretariat in terms of Secretariat strategically driving CCM functions to advance effectiveness; Prepare and support leadership (Chair, Vice Chair, Committee leads) to convene dynamic dialogue, based in data that leads to action; Ensure an oversight officer is part of the Secretariat to infuse data into regular meetings and decision making. However, we suggest that clear measures should be in place to maintain the accountability of the CCM secretariat to its membership while it takes greater role of driving CCM functions. We also suggest moving forward clear and simple performance of the CCM should be developed incorporating some of the indicators used in this pilot

GF/B42/11 Supply Operations Update

We agree that we need to be more strategic with our supply operations in terms of sourcing the right products and deliver them efficiently to the right populations and also considering the reality that almost 50% of Global Fund disbursements are for the purchase of health products.

We welcome the overall vision of improving the value it brings to people by accelerating the end of epidemics and ensuring the sustainability of health outcomes. The overall vision of procurement operations encompasses the end-to-end process and each of the targeted initiatives has considerable added value.

We therefore welcome the work done by the Secretariat and the Strategy Committee in facilitating collaboration among partners on the priority areas of the market transformation strategy and people-centric supply chains and providing solid arguments about the future vision of the marketing strategy that led to the recommendation of this decision point to the Board.

We commend the Secretariat for initiating the concept of **people centric supply chain** which we believe if well executed has potential for enhancing health outcomes. We agree to the importance of the approach, in particular, we trust the private sector engagement will aim to ensure that local markets and supply chains are also sustainably developed to outlast the Global Fund intervention as part of UHC and RSSH agenda. We strongly support the idea of partnership and collaboration on the global and local levels with partners such as host governments GAVI, PEPFAR, PMI, BMGF, DFID and others.

We also concur with the priority areas highlighted by the Strategy Committee: (a) extend benefits to ensure that countries can successfully transition without back-sliding on health product availability, price and quality; (b) enhance collaboration with partners to foster innovation and accelerate new product scale-up; and (c) fill partner gaps on cost-effectiveness analysis to inform appropriate product selection and consider the value of products beyond just price.

GF/B42/19 Strategic Performance Reporting Mid-2019

We congratulate the Secretariat for achieving the positive trends in grant performance and particularly the financial performance with allocation utilization (91%) and grant absorption (81%).

However, while we recognize the promising trends of HIV incidence reduction among AGYW, we are however concerned that it is not enough to achieve the strategy targets and there is continued underperformance of the indicators on service coverage of comprehensive packages for KPs; TB, as well as on IPTp3 targets.

We strongly request the Secretariat to develop clear roadmaps that will clarify on what will be done differently on these under-performing areas, but which are nonetheless mission critical, in an effort to drive much greater impact over the next three years. We are concerned that while progress is made not enough urgency is made to change the trajectory on the core areas that evidence, experience, and science all agree that we are not doing enough on addressing infections among AGYW, KPs, finding missing TB cases, etc. We believe that applying the same sense of urgency, engagement and partnership we used in the sixth replenishment towards developing commitment to adopting the new or enhanced strategies to address the key drivers of the epidemic would go a long way to unlock the current constraints.

GF/B42/20/16: Risk Management Report

The assurance that the Global Fund Secretariat is well on course to achieving embedded level of maturity for risk management, internal controls and governance by the end of 2019 is welcome news and we look forward to this milestone being achieved.

Future Funding and the ambitious target set for investment from domestic sources: We appreciate that of the US\$101 billion required over the next three years to end the epidemics, US\$46 billion of which is anticipated to come from domestic sources. This is an ambitious target, representing a 48% increase compared with the previous allocation period. We appreciate that a structured approach has also been agreed by the Secretariat including establishment of the **Domestic and Innovative Financing (D&IF) Steering Committee** to provide additional focused support to countries on domestic and innovative financing. We appreciate the Steering Committee already anticipates a number of challenges in achieving our domestic financing ambition, including limited fiscal space, the need to foster high-level political commitment, competing country priorities, macroeconomic trends, limited Global Fund leverage outside the health sector, and a need for aligned partner efforts.

We support this initiative, as we believe country ownership, visibly represented not just by countries being in the driver's seat of their respective countries' health strategies but also leading in investing in the health of its citizenry. While the reality, with many countries having limited fiscal space, may seem daunting, we believe there are a number of levers the Global Fund can ride on to make increased domestic health investments a reality. The African Union's African Leaders Meeting: Investing in Health and the resulting Addis Ababa Call to Action, is one critical lever. In Addition, with some countries having demonstrated prioritization of health spending amid fiscal space limitations, the scope for South-to-South learning is yet another important lever for advancing increased domestic funding, in addition to the Global Fund's Co-Financing strategy of course.

We also recommend that the domestic financing discussion should also prioritize initiatives targeted at improving allocative efficiency and the effectiveness of health spending given that efficiency is primary concern for many countries and difficult to argue for an increase in health budget if current budget utilization is inefficient.

Program Quality: We strongly agree to the OIG observation that although good progress is being made a number of challenges remain, and many of which border on quality risks as collaborated by the risk report and the AMAs. These are not new and include antimicrobial resistance, TB missing cases, retention on treatment, ensuring programs are appropriately targeted to meet the specific needs of different population groups including adolescent girls and young women and key and vulnerable populations, and ensuring timely transition to new treatment regimens. All of these factors not only contribute to a risk of reduced program quality but also an increased risk of drug and insecticide resistance. **Addressing quality related risks, as with other risks of course, is mission critical and we urge the Secretariat to double its efforts in combating these to ensure the various gains made over the years are not lost.**

(BM42) APD constituency statement

- **Additional Public Donors constituency would like to appreciate all the joint efforts by the Global Fund Secretariat and the French government in bringing great success of the 6th Replenishment conference.**

The Republic of Korea and the State of Qatar were pleased to be part of this success through our increased pledges.

- **We will continue to support the Global Fund to bring the final stage of current cycle to a successful completion with a maximum impact on the ground.**

For the next three years, we expect the Global Fund to scale up efforts and impact to an amount much more than its increased resources to end the epidemics.

- **In this context, we welcome the Executive Director's report to set the priorities of supporting the goal of Universal Health Coverage, addressing antimicrobial resistance and implementing the Global Action Plan.**

APD constituency fully supports the expansion of Global Fund's mandate of saving millions lives from major epidemics to the broad sense of delivering on the commitments to achieving Sustainable Development Goal 3. /End/

Developing Country NGO Delegation 42nd Board Meeting Constituency Statement 14-15 November 2019

The 42nd Board Meeting presents an opportunity to critically reflect on the 2017 - 2019 Allocation period and to urgently course-correct where we have identified challenges. While we congratulate the Secretariat for the incredible achievements of the 6th Replenishment, it is obvious that if we continue with business as usual, we will not deliver on our promises including saving 16 million lives. As the Board approaches the conversations, the Developing Country NGO Delegation urges all stakeholders, including the Board, Secretariat and implementers to ask what doing business unusual looks like for the key areas where we are underperforming and face challenges.

The Developing Country NGO Delegation have the following comments and questions on the 42 Board Meeting documents:

GF/B42/19: Strategic performance reporting Mid-2019

The Developing Country NGO Delegation finds the update on progress on human rights and services for key populations of grave concern. We raised a number of questions at the previous Strategy Committee meeting about the challenge of gaps in data availability (particularly for human rights commitments), as well as the considerable discrepancies in data from various sources and the lack of progress on KPI 5 (key population coverage) and KPI 9c (human rights and key populations in transitioning countries).

We also have concerns about the availability and quality of data for some other KPIs and would request that for the upcoming strategy period that more effort be focused on ensuring data quality, as well as availability. For the next strategy, we also need to think about how we can measure outcomes and impact of the human rights investment, to ensure that it is going to the right actors and right interventions.

In addition, considering the slow progress in the reduction of HIV incidence in adolescent girls and young women (AGYW for KPI 8), what are the concrete actions Secretariat will take.

GF/B42/08 Technical Review Panel (TRP) Observations on the 2017-2019 Allocation Cycle

We welcome the TRP findings that overall applications have been improving on funding requests, especially if they are based on a costed National Strategic Plans (NSP) for the three diseases. However not all countries have the capacity to identify and estimate the costs of their NSP and therefore many of them are likely submitting costs based on multiple unclear assumptions or based on international guidelines that are being implemented in theory but not in reality. *What will the Secretariat do to support countries in the costing of their NSPs?*

We note the useful recommendations contained in the report for where countries can focus efforts more strategically and call for this guidance to be added to Country Allocation letters and form part of any guidance by the Country Teams during Grant making. We commend the fund for quick publication of the report and request for shortened versions to be made into simple brochures and guidance sheets.

We also insist that for the next allocation cycle, countries need to consider migrants,

irrespective of their legal status, as beneficiaries of GF grant.

GF/B42/05: Report of the Executive Director

On the priorities for 2020 and beyond, we commend the recognition of the importance of community systems strengthening and resilient and sustainable systems for health. We suggest that community-based services and community systems strengthening be integrated into the health system of countries, before transitioning takes place. This will help raise the profile and increasing investment in community systems for health, and sustain gains at an early stage of grant cycles.

On Strategic Objective 3: Protecting and Promoting Human Rights and Gender Equality, *will the allocation letters set a threshold for spending on human rights programming? How will the Secretariat increase resources for the Breaking Down Barriers programme?*

While we commend the work done on the CRG Accelerate, we would wish this to be viewed as a critical part of the responsibility of ALL departments of the Global Fund rather than the responsibility of the CRG department.

While we agree that the Global Fund can act to enable changes in the policy and legal environment of countries and that it is ultimately local political and community leadership that determines the pace and extent of change, the Global Fund can assist this by strengthening Community leadership and strategically supporting Advocacy and Legal challenges. This could best be delivered by strengthening multi-country initiatives challenging legal barriers. The scaling back of regional grants in the Catalytic Investments poses a challenge to this work. *What will Secretariat do to support this work?*

For Decision:

GF/B42/02: Sources and Uses of Funds for the 2020-2022 Allocation Period

The Developing Country NGO Delegation is supportive of this Decision Point. However, we would like to know *how the integration of the additional funds early in the grant cycle will help address increased absorption?* Noting the observations made in the West and Central Africa Advisory around poor absorption, *can the Secretariat spell out the measures in place to address the bottlenecks?* The Delegation is concerned that releasing more money to countries that have been under absorbing without addressing the absorption bottlenecks (corruption, procurement challenges, slow selection of PRs and SRs etc.) will be an exercise in futility. For business unusual, the Global Fund will need to look at each country where there is poor absorption, and address the bottlenecks, by working with technical partners and governments, even if this is beyond the scope of the Global Fund's usual operations.

At the 39th Board Meeting in Skopje, as a Board we made a decision that Russia, Bulgaria and Romania would be eligible for the NGO rule mechanism, but it would be a subject for the funds' availability. *As replenishment results fits to the optimistic scenario now, what will be the implication for these countries. As we met our target, what will be the implication for these countries?*

Lastly, we remind the Board of the call form the World Hepatitis Alliance and others, calling for the Global Fund to include Hepatitis C programming. We urge for the co-infections policy more substantially and more effectively than before.

GF/B42/04: Evolving the wambo.org Pilot for Non-Global Fund-financed orders

We would like to re-emphasize the importance of the development of a sustainability plan as it relates to Wambo.org and more broadly the Market Shaping Strategy. Wambo.org is, as stated, one element that can help transitioning countries mitigate risks of continued access to medicines, however, other solutions need to be found. A broader discussion on sustainability of access to commodities is needed to generate such concrete solutions and should be organized with the Global Fund with partners including WHO and Unitaids.

Regarding the legislative barriers to access to Wambo.org, we suggest that all transitioning countries and countries projected to transition by 2025 should go through assessments of their national procurement regulations and potential barriers to continued access to the Pooled Procurement Mechanism. We look forward to seeing a concrete plan of action to deal with barriers related to pre-payment and legislative barriers during the multi-stakeholder consultations planned early 2020.

Regarding transparency of wambo.org, please provide reassurance that all countries can access the prices available to all countries even in cases when their national laws and applicable international obligations in intellectual property provisions prevent them from accessing that price.

We note a number of problems with Wambo.org, that need to be addressed before the extension of the pilot. For example:

- ☐ *How will the platform be improved to be more user-friendly?*
- ☐ *How will the lengthy approval system be adjusted, to avoid delays in medicines procurement?*
- ☐ *What will be done to ensure quality assurance of commodities other than ARV and TB drugs and LLIN?*

Given the current challenges of the platform, we urge clearer focus for the 2020 stakeholders meeting/evaluation to address these shortcoming.

Lastly, we request that the timelines for the wambo.org pilot presented to the Strategy Committee at its 11th meeting last month be reflected in the decision point.

GF/B42/12: Update on STC Policy

In light of the monitoring and learning framework, and based on lessons learned from the 2017-2019 allocation cycle and independent reviews, we suggest revisiting Transition Readiness Assessments before the country dialogue for the transition grants takes place. We need data – such as data on government expenditures for the three diseases, including how much is spent on funding civil society organizations in the delivery of health services and strategic information on the legal environment.

How can the Global Fund and partners assist to accelerate sustainability while countries are receiving transition grants and getting ready to exit from GF financing? While the emphasis is given to prevention efforts and advocacy, we would recommend that transition grants also proportionately focus on RSSH interventions. We would like to see country specific examples of proactive STC policy implementation in collaboration with partners, communities, civil society, and all relevant stakeholders.

We also request an update on how the Global Fund will address cases of failed transitions? We have examples Bosnia and Hercegovina where all harm reduction services have stopped post-transition, with the exception of two very small projects.

Lastly, in order to address the issues that are “out of the Global Fund’s control”, we would like to see continued exploration of support for civil society advocacy to address the lack of political will to finance HIV, TB, and Malaria interventions (particularly prevention and harm reduction), and to end discriminatory practices that will remain challenges to a sustainable response to the three diseases over the long term. Even if the Fund cannot fund these efforts over the long-term, it should maintain its leadership role in venues such as the GAP, in discussions among bilateral and private donors, in making the case for sustainable funding for civil-society led advocacy.

GF/B42/10: Evolving the CCMs to deliver on the GF Strategy

The Developing Country NGO Delegation supports the focus on ensuring the integration of CCMs within the national health structures. We recommend that a performance monitoring framework is developed to support this.

Given that the promising results are largely dependent on the support from the Global Fund secretariat CCM team, *how will the maturity of evolved CCMs be sustained when the Secretariat support will no longer be available for various reasons?* We also support the finding of the risk associated with the use of consultants and their costs as well as the limited stock-taking capacity of the CCMs to integrate lessons from consultants’ work. We support the call in GF/B42/05 for Global Fund partner organizations to step up to help deliver the results we must see. This is particularly relevant to the coordination of Technical Assistance and Capacity Building for CCM evolution, but is cross-cutting across many other areas of the partnership.

Lastly, how will OPEX funds for CCMs be used if the evolution of the 90 CCMs will be funded through Catalytic investments?

GF/B42 /14 Governance Culture Initiative – Phase 2

The Developing Country NGO Delegation is concerned about the resources being spent on this initiative through the use of external firms and expensive Jeffersonian dinners, with unclear impact. The culture of the Board is reflected not in this initiative, but in the way in which the Secretariat and Board Members engage with each other. The concerning shortcomings of the Committee Selection Process, for example, show the realities of the Board culture. It is these kinds of shortcomings that need to be addressed to improve the Board culture.

While the ten themes and six priorities tell us what will be done, it does not indicate how it will be done. *How does the EGC and Secretariat envisage to streamline the phase 2 activities?*

For the proposed Task Force composed of the EGC members and one member each from the AFC and SC, we insist that representation of civil society and communities be included, in order to better address the limitations highlighted in the document. The diversity of the Board needs to be reflected in any Task Force attempting to address the challenges and possibilities that this diversity provides

Lastly, how will the Culture Protocol for the Global Fund be different from the existing Code of Ethics for Governance Officials?



EECA Constituency Statement of STC Policy Implementation

EECA Constituency highly appreciates the implementation of STC Policy that focus on the central role of domestic resources in the financing of health systems and national disease responses. STC Policy is playing a huge role in strengthening sustainability, increasing domestic financing and co-financing and supporting countries to better prepare for transition. Since allocation reductions happen in certain portfolios, advance planning to identify transition risks and gradual transfer of interventions should be very well defined before GF leaves the country.

The main common problems of the transition period in the countries of the EECA region are:

- weak government monitoring mechanism to assess financial needs for a successful transition
- limited political will of governments to replace donor funding programs
- insufficient integration of models for the provision of services and patient support, successfully applied within the framework of the Global Fund programs, in the national state public health system.

We encourage GF Secretariat and country teams to work closely with the governmental structures in EECA region to focus on long-term sustainability planning by supporting the development of robust national health strategies, disease-specific strategic plans and health financing strategies considering EECA region has the highest number of transition countries in the Global Fund.

In order to achieve complex and multisectoral transition and sustainability process, it is utmost important to update local legislative framework for public financing of civil society organizations essential to providing services for key populations. Without close engagement of civil society sector in the fight against the diseases and still constraining the government's ability to allocate funds to CSOs, it is impossible to ensure sustainability of harm reduction programs and prevention and treatment of TB patients. Allocation of state funds to CSOs involved in harm reduction and TB prevention activities should be priority activity in state budget considering ongoing stigma against key populations. Best practices on behalf of EECA region can be considered Kazakhstan, Moldova, Montenegro, and Bulgaria.

Joint recommendations to guide continued STC Policy implementation have been very well prepared and will surely contribute to achieve the goals of STC Policy. We also encourage GF Secretariat to share the review results of the outcomes of the transition in some countries conducted before.

During the preparations for 2020-2022 allocation cycle, enhancing engagement of CCMs in monitoring co-financing commitments is very remarkable and will strengthen CCMs' role in successful transition process and sustainability of all the programs.

Finally, EECA Constituency highly values the continued efforts of the Secretariat to collaborate with the partners, countries, communities, civil society and all relevant stakeholders to continues proactive STC implementation.



Eastern Mediterranean Region (EMR) Constituency of the board of the Global Fund to fight AIDS, Tuberculosis and Malaria

Constituency Statements for 42nd Board Meeting. Geneva, 14-15 November 2019

The EMR Constituency would like to congratulate the secretariat of the Global Fund for the incredible work and the fantastic achievement of the replenishment, and once again thank France for leading the way.

- As a strategic issue EMR constituency strongly supports the consideration of addressing viral hepatitis. Aligning the hepatitis response with other global health strategies may achieve a more efficient and sustainable response to HIV infection and viral hepatitis. In order to make malaria control more effective, it is also relevant to extend vector control management in an integrated approach to prevent dengue fever and similar vector born diseases in many countries of the EMR including Pakistan, Syria, Yemen, Iran and Oman.
- EMR Constituency appreciates the content of the comprehensive report of the Executive Director. However, we would like to highlight some big challenges in the region:
 - Challenging Operating Environment countries (consideration to reassess the eligibility criteria of these countries).
 - Inadequate financing in Health system strengthening.
 - Insufficient strategic information and data management.
 - Delay in procurement of medicines and commodities.
 - Concerns with some particular populations size and service delivery as migrants and internal displaced people (IDPs) in many countries of the region.
 - Cross border issues either within the region or beyond.

In order to address these challenges, EMR Constituency appreciates if the Global Fund may take these into consideration and recommend to plan more multi-country grants for HIV, TB and malaria in the region. Also, GF has to encourage countries to follow proper and gradual steps for sustainability and co-financing.

- Considering sources and uses of funds, in order to achieve 2030 strategic goals, EMR Constituency recommends reutilizing the unspent funds for service delivery, including prevention care and treatment, for key and vulnerable populations through different approaches such as country allocation, catalytic funding and multi country grants.

On the other hand, this resource may be used to remove some structural barriers and creating an enabling environment in order to improve access by the key and vulnerable populations for testing and treatment.

- EMR Constituency appreciates the progress in most KPIs and welcomes the revision made recently to improve some of them. However, we encourage the secretariat to work closely with the technical partners to strengthen the reliability and utility of the KPIs for decision making at the board level and the countries level. We also encourage the GF country teams and CCMs (through country dialogue, oversight, advocacy) to improve their interventions to address the needs of key and vulnerable populations and ensure we can achieve the GF strategic targets.

- EMR Constituency fully supports the evolution of wambo.org as recommended by Strategy Committee and the Secretariat. We appreciate the extension of the procurement through domestic funding and for all products and commodities.

However, EMR Constituency is concerned by challenges indicated by GF secretariat as legislative barriers and pre-payment requirement which may hinder access to wambo through non-grant funding. EMR constituency encourage GF to explore promptly the possibilities for minimizing the effects of the stated barriers.

EMR constituency suggest to increase the cap of 50 million USD when orders reach 75% of the initial capped amount to ensure the continuity of the supply.

- EMR Constituency appreciates the efforts of the EGC and the secretariat to improve the governance at board level. The suggested outlines of phase 2 of the governance culture initiative would hopefully achieve the expected objectives. Considering the heterogeneous composition of the Board, we understand that the discussions may be influenced by various factors (political, geographical, ideological) which detract focus. So, decisions tend to be more cautious than bold. Individuals and constituencies would contribute to improve the governance culture by focusing on Global Fund objectives to end the epidemics.

EMR Constituency calls upon the importance of a bottom-up decision making process starting from CCMs which should be sufficiently strengthened, to committees, to GF secretariat and to the board level.

- The efforts undertaken by OIG during 2019 to confirm trajectory trend in Global Fund investments and the invaluable informative and enlightening report provided by that office are highly appreciated. It seems that general improvements at both GF secretariat and in-country are present on the availability of data. However, availability of medicines and commodities at service delivery level and the accuracy of data should be improved.

We believe that OIG is on track to meet its work plan 2019, and EMR Constituency strongly supports the recommendations and actions towards improving data quality to make the decisions more appropriate and timely. EMR Constituency supports the following interventions:

- Improving of country M&E plans and related tools through multi-sectoral approach and accountability framework.
- Improving data accuracy, inventory management and drug traceability at lower levels of supply chain.
- Enhance oversight and involvement of NGOs in reporting at country level.
- Encourage integration among 3 vertical program and implication of private sector.

- EMR Constituency is satisfied with the efforts being made by Global Fund to timely identify the risks and the mitigations already started or planned. After going through the Organizational Risk Register (ORR) summary, we can see that the trend of the identified 22 risks is also satisfactory – three are decreasing and remaining 19 are steady and there is not even a single risk which is increasing. We can safely say that this in itself is a huge achievement and an indication that we are on the right track.

- EMR Constituency appreciates the efforts of TRP in preparing their review on allocation cycle 2017-2019 and sharing it as it will guide the countries in preparation of the upcoming grants. At the same time, it is heartening to know the positive developments mentioned by TRP especially commitment of more domestic financing, disease specific costed national strategic plans to name a couple. We can say that this is a change for which we have to credit Global Fund.

However, TRP expressed overarching concern with regards to effectively meeting the objectives of Global Fund strategy 2017- 22: investing to end Epidemics.

Other areas identified causing concern and I think which need to be immediately addressed and discussed, include,

- Potential fragility of programs in maintaining the gains made and the challenges of scaling up and enhancing the quality of programs
- Slowed or stalled progress on TB
- Increased incidence of HIV & Malaria
- Significant policy barriers
- Gender disparities
- Inadequate attention to community systems
- Drug & Insecticide resistance for TB & Malaria

Another very important point which I would like to highlight is the Challenges of achieving sustainability with several countries that had transitioned from Global Fund submitting funding requests for various reasons, such as Changes in national income, Spikes in disease incidence and Program specific issues – need to address key populations including migrants. I would like to suggest that we should have a policy in this regard, which should clearly state that what is to be done and how, in such situations.

EMR Constituency expects the secretariat to support the operationalization of the recommendations of TRP and provide inputs in the light of these recommendations in the process of development of next Global Fund Strategy.

- In order to enhance the CCM Functioning further to direct it toward maturity level, the EMR Constituency would like to recommend that the Global Fund should increase the resources and the capacity levels of the CCM Secretariats in Country level, whereas, CCM Secretariat is recognized as a key entry point to sustainably to increase this capacity with countries and partners.

The EMR Constituency would like to recommend that CCM Performance evaluation should be based on the awarding and punishment approach the stated approach may help the CCM to direct the CCM Functioning toward maturity level gradually with having an improvement plan and defined roadmap in place.

The EMR Constituency is at the opinion that the restructuring of CCM or CCM Secretariat into the national system could be a challenging issue for the moment since the CCM structure is very complex, but, the Board can initiate working on a transition policy/strategy with defining the restructuring of CCM or CCM Secretariat within the national system of the country with all (P&N) aspects and possible outcome of the approach in long term.

EMR Constituency also encourages establishment of a user-friendly web platform for CCMs to share their experiences and best practices and to find resources they need for strengthening their performance and fostering their collaboration. This could be a knowledge hub for sustainability and transition as well.

- EMR Constituency appreciates the efforts of the secretariat in implementing STC policy.

We believe sustainability needs a strong political will and meaningful engagement of the civil society in every aspect of planning, implementation, monitoring and evaluation. Proper monitoring and oversight bodies should be strengthened during transition to ensure uninterrupted financing and execution of services especially for key populations.

Several examples (Iraq, Egypt, Jordan) in our region show that after transition, CCMs were abolished and no systematic mechanism was provided to monitor the sustainability of services and echo the voice of most vulnerable into the planning and decision making. We suggest such mechanism should be foreseen within the country and supported by regional or global bodies.

Our experience shows that PRs are not accountable adequately to the CCMs. Having good documents and transition plans are not adequate if we cannot see the mechanisms that work in real world situation. There should be a clarification of the role of CCMs or alternative mechanisms after the graduation of the country and support mechanisms for the CCMs to observe its roles and responsibilities.

We encourage an independent review of all transitions happened so far with particular focus of failed transitions and/or returning countries to document what may prevent such cases in future.

- EMR constituency appreciates the recent progress made in setting priorities and way of work in Coordinating Group. We strongly support enhancing governance structures, focus on efficiency, improving monitoring and maximizing impact of GF.

- EMR constituency encourages the Board leadership and board members to increase their advocacy efforts for expanding GF Privileges and Immunities across the world, engaging other partners in negotiations and stepping up for this purpose.

- In the last two quarters, the Secretariat had five new recovery cases amounting to US\$ 8.48 million, with three of these cases having been closed before 30 June 2019.

The non-OIG aggregate outstanding balance, net of written commitments to repay, amounted to US\$ 13 million. This amount is distributed amongst 58 grant implementers in 32 countries with a median recoverable balance of US\$ 62,018. A number of them need close follow up considering the regime change in some countries.

EMRC encourage putting lessons learned from unrecoverable amounts and recoveries into a single document for the board to review and to be used as a guide for next rounds of grant making with the same or new implementers.

Finally, we encourage the Global Fund and all partners and implementers to strive for achieving SDG targets by 2030. This needs extra efforts and more innovative approaches for changing the way we work to raise the trajectory of our collective actions toward the targets. We appreciate involving academics and intellectuals in the discussions and encouraging world leaders to keep their promises and fulfill their commitments.

GLOBAL FUND 42nd BOARD MEETING CONSTITUENCY STATEMENT

The Communities Delegation recognises and congratulates the Global Fund Partnership in responding to the challenges in Venezuela which is a result of the GF/B39/DP04 – Potential Engagement with Non-eligible Countries in Crisis. We would like to draw your attention to GF/B39/03 – Revision 1 (para 8) which states that the “SC recommends the Board consider aligning the amount of crisis funding available to ineligible countries to the total amount available in the Global Fund Emergency Fund”. We would like to highlight the important role that communities are playing in the responses in Venezuela, especially through Community-Based Monitoring, and that continued investments in Community-Based Monitoring be an integral component for non-eligible countries in crisis.

On the recently endorsed Political Declaration on Universal Health Coverage (UHC) – other than People Living with HIV, there is no mention of key, vulnerable and criminalised populations, which is an immense disappointment for our communities. Given the public support of the Global Fund following the adoption of the Political Declaration, we now look to the Global Fund and other partners to ensure and champion for the implementation and accountability framework to address our concerns. Furthermore, we believe that the Global Fund has an important role to play in UHC, however this role should complement existing efforts and not lose its focus on the three diseases.

We strongly agree that UHC provides an incredible opportunity for health to be prioritised on the political agenda, as well as provides the opportunity for people to demand for access to health. However there is no country that has nearly achieved or achieved UHC without a vertical component for HIV. **We stress the importance of putting the last mile first – where countries and health systems prioritise the most marginalised, affected and vulnerable, and respond and holistically meet their needs, the health system will cater for the remainder of the population.**

The following topics present the Communities Delegation’s considerations, positions and comments regarding areas of particular relevance for the agenda set out for the 42nd Board Meeting:

GLOBAL FUND STRATEGY DEVELOPMENT

Whilst the Communities Delegation acknowledges the work of the Secretariat in presenting a timeline for discussion at the 11th Strategy Committee Meeting on the Strategy Development process, we would like to make the following points and requests for clarification:

- a. We stress that the development of the upcoming strategy is the responsibility of the Board and should be led and directed by the Board. The development of the new strategy is critical, and we must ensure that the leadership of the process, and the process itself, is one that produces the strongest and most effective strategy for all our constituencies.
 - i. On the process (referring to the Presentation of the 11th Strategy Committee Meeting), we express concerns on the proposed **SC Working Group** that is meant to “Guide Planning” and to discuss “Arrangements for Partnership Fora; and any additional areas as directed by Strategy Committee or Board”.
 - **As the largest constituency affected and impacted by the three diseases, the principle of meaningful involvement of key, vulnerable, and affected communities is a central tenet of the Global Fund and the Communities Delegation, and thus, we find it unacceptable not to have a role in this body.**

- We are concerned on the language in the presentation “any additional areas as directed by Strategy Committee or Board”, we find the language too vague and **request for a clear ToR on the scope of work of this SC Working Group, and clarifications on the membership of this SC Working Group. Given that the membership of the SC will change in June 2020 – how would this be managed?**
 - We also request clarity on how the 4 GFS convened interconnected working groups will operate, and how the membership will be selected, and by whom.
- b. On the Partnership Fora:
- i. The Partnership Fora are an important part of our governance structure which is aimed to collect substantive guidance and input from broad range of stakeholders to develop the Global Fund Strategy. We are concerned about the timeline of when the Partnership Fora will be taking place in Q3 & Q4 of 2020, and how this would truly inform the strategy discussions and the formulation of the Strategic Objectives for meaningful and substantive input. We would request that they be conducted earlier so that outcomes can inform and form the basis and be incorporated into strategy discussions.
 - ii. Furthermore, **we also request clarity on the organizing of the Partnership Fora, building on lessons learned – specifically on how many, where they will be held, who will decide on the selection on participants (including on communities and civil society), how will the agendas be developed, and on what themes.** This is essentially important for communities and civil society in organizing and being prepared prior to each.

GF/B42/03A: 2020 WORK PLAN AND BUDGET NARRATIVE
GF/B42/03B: 2020 OPERATING EXPENSES BUDGET

- a. The Communities Delegation appreciates efforts of the Secretariat in staying within the \$900m ceiling for OPEX and note the concerns raised by the ED in the Executive Director Report about the increased and expanded scope of work in 2020. **Therefore, we welcome the need for the review guided by the AFC on the US\$900m three-year cap for OPEX** in relation to the scale and scope of work.
- b. **We remain concerned on the resources made available to the CRG Department in carrying out its functions, and request for flexibility within the OPEX that allows for the CRG Department in implementing its work – especially in a year where the Partnership Fora and Strategy Development Processes are planned.**

GF/B42/04: EVOLVING THE WAMBO.ORG PILOT FOR NON-GLOBAL FUND-FINANCED ORDERS

- a. The Communities Delegation welcomes the availability of Wambo for transitioned countries; the access of Wambo by NGOs; and accessing Wambo with domestic funds which we have requested for since the start of the pilot.
- b. We note the broad deployment of capabilities that were planned for phase 2 with the “potential to further facilitate access to quality health commodities at affordable prices”¹ and continue to express concerns that where countries are not able to purchase commodities at the cheapest pricing, **what is the added value of using Wambo since countries can procure cheaper drugs directly?**

¹ Para 16 of GF/FOPC17/08.

- c. We look forward to the consultations and assessment and request that communities are meaningfully engaged in both processes. We request that the assessment is concluded in time for the results to be available in time for the Strategy Development discussions.
- d. We note the concerns around prepayment mechanisms and especially around legal barriers:
 - i. **Request for the consultations to provide the opportunity to find alternatives/solutions to prepayment requirements in consultations with all relevant stakeholders, including communities.**
 - ii. We ask for the Secretariat to pay attention to quality assurance of products that are transacted through Wambo and request that despite strengthening compliance, strict quality assurance measures are given to suppliers that supply substandard commodities and actions taken in removing them from the list of suppliers, where necessary.
 - iii. We note that the Secretariat is monitoring legal barriers and there is presently a study in 15 countries. **The Communities Delegation would like to have a better understanding of the 15 countries, and what actions are being taken to mitigate the barriers.**
 - iv. **In addition, we would like the Secretariat to move beyond only monitoring the legal barriers to finding ways in overcoming the barriers identified.**

GF/B42/05: REPORT OF THE EXECUTIVE DIRECTOR

- a. The Communities Delegation welcomes the comprehensive Report of the Executive Director on progress against 2019 priorities, and priorities for 2020 and beyond, and especially welcome the efforts made by the Global Fund Secretariat in cost-savings and efficiencies; the emphasis on work that needs to be conducted holistically by the Global Fund Secretariat in achieving Strategic Objective 3 and in reaching its related Key Performance Indicators; and the creation of the Youth Council and look forward to updates on its further development.
- b. We re-echo the need for the Global Fund to use its leverage in addressing barriers that prevent people from accessing essential services being cautious and aware of the long term implications of economic burden on countries with innovative approaches.
- c. The Communities Delegation additionally seeks to know how the partnership in the Global Health Action Plan will translate at the country level, and welcomes the discussion on this during the Global Fund & the SDG3 Agenda.

GF/B42/06: OIG PROGRESS REPORT

- a. The Communities Delegation appreciates the quality of report from the Office of the Inspector General. We however have concerns on a few areas that need the attention of the secretariat:
 - i. While investments have been made to strengthen health information systems across high impact and core countries, we are concerned about the overall accuracy of data and the rising cases of data fraud. This is also a concern from the TRP Report. The issue of data is particularly important because it is used to make investment and programme decisions. We ask for the Secretariat to be more vigilant with countries and demand for better quality data as part of grant agreements so that programmes and services are not affected by decisions based on fraudulent or inaccurate data. We highlight the need for Local Fund Agents (LFAs) to be more vigilant in their oversight roles, as well as the for increased investments in community-based and -led monitoring to ensure that the data reported by countries is corroborated for quality.
 - ii. We appreciate the efforts that have been made to strengthen supply chains at the country level and the improvement of availability of medicines at service delivery points. We are however

disappointed that inventory management continues to be a challenge, especially at lower levels of the supply chain due to weak oversight and limited ownership of in-country supply chains. These kinds of non-commitments cause stock-outs of life-saving commodities, hence eroding the gains we have made in saving lives. Weak oversight and limited ownership should not be taken lightly by LFAs and country teams because supply chain issues are not about money and not about systems, but it is about people.

- iii. The multi-country grants play a big role in reaching communities that are not able to be reached through country systems due to various factors - amongst these, criminalisation, stigma and other forms of human rights barriers. We are also cognizant of the fact that these grants need to be managed efficiently. **We call upon the Secretariat to put in place mechanisms that will improve grant implementation arrangements in terms of operational efficiency and resource optimization without compromising the need for multi-country grants.** Processes and systems should be adequately tailored to cater for the specificities and complexities of multi-country grants as recommended by the OIG Report on page 14.

GF/B42/07: JOINT AGREED MANAGEMENT ACTIONS PROGRESS REPORT

- a. Whilst we recognise the rationale to recalibrate KPI 9c, we would like to stress that this should not be mistaken for the de-prioritising of the target. The actual need for adjusting the indicator must be taken into consideration when assessing the “performance”. Moreover, we urge relevant partners to work together to strengthen methodologies for quality data collection, so that for the next period, we will be able to analyse current situations and measure progress appropriately and meaningfully.
- b. An alternative KPI should not be mistaken for a change in ambition. If anything, it demonstrates the specific and demanding efforts required to make true advances in the area of communities, human rights and gender. Challenges to develop and utilise tools to gather critical information and evidence, should not become an obstacle to progress, rather, it should impel us in making the extra effort to achieve our shared goals for Strategy Objective 3.

GF/B42/08: TECHNICAL REVIEW PANEL OBSERVATIONS ON THE 2017 – 2019 ALLOCATION CYCLE

- a. The Communities Delegation welcomes the TRP observations on the 2017-2019 Allocation Cycle. We note the TRP’s observations around trends on UHC in concept note developments and support the recommendations around coordinating with other global health partners and would like to request specificity around the optics of such coordination, particularly on the role of the Global Fund.
- b. We stress that Community Systems Strengthening (CSS) is an integral component within RSSH and the prioritization of CSS is crucial, particularly in the context of CCM evolution.
- c. We recognize the important role of the TRP and its observations/recommendations, and at the same time note the fact that concept notes are developed from the realities of countries and while being assessed via the lens of the TRP, there might be a mismatch or perceived incongruences. Hence, we look forward to the new members after the recruitment process that will fill in the expertise gaps.

GF/B42/10: EVOLVING CCMS TO DELIVER ON THE GLOBAL FUND STRATEGY

- a. The Communities Delegation expresses its support to continued investments in CCMs and their strengthening.
- b. The Communities Delegation expresses disappointment over the loss of opportunity to present the richness of learnings from CCM Evolution Pilot Project. The Paper presents very thin and non-nuanced

findings, and this would definitely not provide the needed guidance on how to effectively roll-out the further phases of CCM Evolution Project in the way that is needed. In particular, we find it unfortunate that the Findings Paper does not give justice to the work that has been done by CCM stakeholders in some of the pilot countries that have done excellent job in moving their maturity level in CCM performance areas at a significant scale.

- c. **We would like to see that the Global Fund learns from those CCMs that have evolved successfully, understanding what was behind those successes. Lessons from these countries would be valuable in answering questions related to what it takes for CCMs to be effective, and for CCM Evolutions to achieve their objective.**
- d. Experiences in the area of KP Engagement in CCM point to the following lessons from our perspective:
 - i. Effective CCMs and effectively evolving CCMs requires strong CCM leadership, particularly from community and KP members;
 - ii. Providing sufficient resources to enable the meaningful and coordinated participation of KP and CS including through support for development of engagement plans and their implementation;
 - iii. Strong, effective, well-resourced CCM Secretariats are critical to achieving strategic level of functioning in all 4 CCM Evolution Performance areas; and
 - iv. Knowledgeable, CRG-sensitive and informed, effective, dedicated and open Fund Portfolio Managers and teams are key to evolving CCMs to the right direction.

GF/B42/12: UPDATE ON SUSTAINABILITY, TRANSITION AND CO-FINANCING POLICY IMPLEMENTATION

- a. The Communities Delegation acknowledges that STC is not the sole responsibility of the Global Fund, but of the partnership. We welcome the Update on Sustainability, Transitioning and Co-financing Policy Implementation High-level summary and would like to highlight the importance of focusing on criminalised populations and the implications around STC in countries.
- b. **The Communities Delegation requests for the Global Fund to use the opportunity of the Global Health Action Plan, and the recent decision from the Office of the High Commissioner for Human Rights (OHCHR) at the Human Rights Council Forty-first session to (1) convene STC roundtables with all partners of the Global Health Action Plan plus PEPFR and communities; and (2) lead on the development of a donors ethical framework.**
- c. **We challenge what has been stated in the report (pg 5, para 5) “many sustainability and transition challenges depend fundamentally on political will and policy decisions at the national level. The Global Fund’s ability to influence these challenges will remain inherently limited”. This is because the pathway for the Global Fund to influence and change political landscapes is through investments in community systems strengthening and advocacy.**
- d. **We would like to further understand the trends around what countries have agreed to absorb into domestic financing.**
- e. **The Communities Delegation calls for the Secretariat to develop a Sustainability Dashboard.** We find that this will provide a more consistent and fuller picture of the implementation of STC. We find that reporting is presently very scattered and creates challenges in fully understanding the implementation, progress and challenges faced. A Sustainability Dashboard will allow for reporting to be consistent, without assigning a corporate level target to it.

GF/B42/14: GOVERNANCE CULTURE

- a. We thank the EGC for putting forward the paper Governance Culture. However the Communities Delegation do not see it as able to address fundamental issues needed to ensure effective Board functioning, including safeguarding spaces for Board member discussions within and outside Board meetings.
- b. **What the Delegation has been calling for instead over several Board Meetings is the development of an Ethical Decision Making Framework which would ensure that decisions of the Board, regardless of how sensitive and difficult discussions could be, are underpinned by the principles of the Global Fund and serves the interests of key and vulnerable communities affected by the three diseases, and not those of constituency vested interests.**
- c. The type of Board culture that the Global Fund needs is one that is honest, real and gets the job done for effective outcomes. Diplomacy should not hinder addressing the real issues.
- d. Lastly, **we request for transparent information on the Task Force that will further the work on Phase 2 of this initiative – including TORs, timelines, and its composition.**

GF/B42/19: STRATEGIC PERFORMANCE REPORTING MID-2019

- a. Whilst we recognise the rationale to recalibrate KPI 9c, we would like to stress that this should not be mistaken for de-prioritising of the target. Also, the actual need for adjusting the indicator must be taken into consideration when assessing the “performance”. Moreover, we urge relevant partners to work together to strengthen methodologies for quality data collection, so that for a next period, we will be able to analyse current situations and measure progress appropriately.
- b. An alternative KPI should not be mistaken for a change in ambition. If anything, it demonstrates the specific and demanding efforts required to make true advances in the area of communities, human rights and gender. Challenges to develop and utilise tools to gather critical information and evidence, may not become an additional obstacle to progress. Rather, it should impel us to make an extraordinary effort to achieve our shared goals in this strategic priority.

GF/B42/21: RESOURCE MOBILISATION AND REPLENISHMENT

- a. The Communities Delegation congratulates and salutes the tireless efforts of the Secretariat for the success of the Pledging Conference, which has demonstrated solidarity and continued faith in the Global Fund to deliver on results and political engagement and commitment from both donor countries and implementing countries, and private sector and foundations towards ending the three diseases as epidemics. We appreciate and commend the leadership of India as the host of the first preparatory meeting in New Delhi and of France as the host of the Pledging Conference.
- b. We want to acknowledge and especially express our deepest appreciation to the unprecedented communities and civil society engagement in advocacy efforts in both donor and implementing countries, which has demonstrated again the value of the partnership of the Global Fund as a whole.
- c. While we celebrate this success, we stress that the \$14 billion raised is but 80% of what is needed to ensure effective responses to the epidemics. There is still the continued need to continue to fundraise to fill the gaps. **In addition, we request for an update on achieving the full \$14 billion.**
- d. The Global Fund Investment Case has outlined that this should drive at least \$48 billion in domestic resources. For this reason, the momentum of the successes of the Replenishment Conference is but a starting point and needs to be kept up to ensure that we are also able to reach this target. **As such, we request for regular updates on domestic resource mobilisation efforts, co-financing**

requirements and commitments in reaching this goal to be shared with the relevant Committee as well as the Board.

- e. The Communities Delegation thanks the work of the Secretariat and the Audit and Finance Committee for presenting the decision point. Drawing on the recent achievements from the Pledging Conference, and a main priority of determining how domestic resource mobilization projections will be achieved. In particular, we note the significant uncertainty or probability of the expected (major) increases that will materialize. Given that these numbers are a consequential component of the calculations in the Investment Case, the impact if these targets are not achieved will be detrimental to the strategic targets, ending the epidemics and keeping people alive.
- f. In addition, we recognize the current financial climate poses extraordinary uncertainties around foreign exchange rates of particular relevance for the Replenishment results, specific, appropriate measures must be put in place to manage these serious risks.
- g. We express our concerns regarding private sector/foundations contributions at the Sixth Replenishment which are partnership projects that will be implemented by the same organisations, without clarity of extra resources that would be required by the Global Fund in implementing these projects.

Constituency Statement Germany

The forthcoming Board Meeting is characterized by the Global Fund's (GF) **successful replenishment** last month in Lyon, where the global community proved its commitment to step up the fight against the three diseases and pledged more than 14 billion US-Dollars – **an impressive achievement and good reason to look into the future with confidence**. This replenishment was a clear milestone on our way towards the goals of the Agenda 2030 and is a testimony to the strength of the GF and multilateralism in general.

This success also implies an immense responsibility for the GF and comes with high expectations. Hence, we cannot rest on our laurels, but need to translate these pledges into results. In our view, we need to **focus on three aspects to deliver on our commitments on the SDGs**:

1. We need to ensure an **efficient use of available resources in 2020-22**.
2. We need to **align and coordinate** our efforts along the SDG 3 Global Action Plan.
3. We need to **look beyond 2022** and **adjust our strategic focus**.

We welcome an exchange on these strategic questions at this Board Meeting, and look forward to important discussions and decisions on issues such as sustainability, transition and co-financing, procurement and supply chain, domestic resource mobilization, Country Coordinating Mechanisms, mental health and grant implementation in West and Central Africa. During these debates, we will have to ask how we can do better in the areas lacking behind and how to reach those we have not reached so far. We appreciate the revised format of the agenda, which enables more interactive discussions on these strategic matters and gives a special role to countries and their perspectives.

1. Learning from the 2017-2019 Allocation for the next Grant Cycle 2020-22

(Reference Documents: GF/B42/05; GF/B42/08; GF/B42/19; Results Report 2019; GF-OIG-19-011; GF/SC09/03+07)

Successes and Challenges ahead

- The GF's 2019 Results Report shows the **important gains** the GF has achieved until today. **32 million lives saved speak for themselves**. 20 years ago, we would have never imagined such a success. Likewise, the recently published **World TB Report** reflects on the tremendous achievements of the GF partnership. We are glad to see the important progress made with regard to TB case reduction in programmes supported by the GF. It demonstrates that **the GF is getting on track and sets the right course for the next three years**.
- However, these impressive results should not divert our attention from the **challenges ahead of us**: Infectious diseases still cause high death rates across the world. **AIDS, TB and Malaria remain amongst the deadliest infectious diseases globally**. Developments such as climate change, migration and rapid urbanization will certainly not make this fight any easier. Besides, the strategic performance reporting indicates in which areas **we need to do more and do better**; namely, the **service coverage of key populations (KPI 5)**, **HIV incidence amongst adolescent girls and young women (KPI 8)**, **domestic investments in key populations and human rights programmes (KPI 9c)**. Following the Board discussions in May, we welcome that the GF Secretariat follows up on the KPIs identified at risks. We are looking forward to **receiving further details about the mitigating actions foreseen in the grant-making period for the next allocation** to improve the performance of the GF partnership on incidence reduction (**KPI 1**) and to address country specific causes of underperformance for program service delivery and quality indicators and others. Besides, we **welcome the GF's efforts to address upcoming global challenges**, for example through the strategic initiative on waste management of medical products.
- To achieve the highest impact and ensure a better return on investment, we **need to focus also on "soft topics" whose impacts are not as easily measured**. In practical terms this means that while the GF is responding to immediate needs in preventing, diagnosing and treating the three disease, it has to **further invest in the future by playing a leading role in the global efforts to contribute to Universal Health Coverage (UHC)**. Failing this, there is a risk for the GF's aim of

sustaining the gains already achieved. We therefore need to focus our efforts on **establishing partnerships that put national governments in the driver's seat** for their own development, and **strengthening health and community systems** globally. The strong focus on **domestic resource mobilization and innovative financing** in the GF's 2020-22 Investment is an important step in this matter, and should consider ongoing initiatives like the *Proving for Health Network* (P4H) to prevent duplication of initiatives.

Resilient and Sustainable Systems for Health (RSSH)

- As the ED rightly points out in his report, investments in health systems should not compete with measures against Aids, TB and Malaria. Instead, **strong national health and community systems are a prerequisite to step up the fight against the three diseases** and to achieve the goals of the Agenda 2030. And only strong systems can safeguard the gains we have made so far.
- It is not a secret that **Germany has been a strong advocate for a separate budget for RSSH** in the past. It is therefore **encouraging** to see that the GF aims to invest **four billion US-Dollars** in this area **over the next three years**. We need to **use these funds in an efficient and sustainable manner** and further address the challenges highlighted by the TERG, OIG, TRP and others. In this context, we would like to **highlight the important role of the RSSH roadmap**, which the GF developed earlier this year. We expect that the GF will carefully consider the **agreed action areas of the roadmap in the next grant cycle, especially:**
 - * to **strengthen capacities and voices on RSSH in country dialogues**,
 - * to **deepen collaboration and**,
 - * to **improve the measurement of the outcomes of RSSH investments**.

We also hope to receive an **update from the Secretariat on the agreed management action** to assess the Secretariat's capabilities and capacities to deliver on the **RSSH roadmap** in the 2020-22 cycle.

- To steer the next grant cycle in the right direction, the GF needs to make sure that **allocation letters and Country Teams provide clear guidance** to countries. Both, with regard to the **relevance of health and community systems** to end the epidemics and the possibilities for countries to plan and implement interventions in this area through GF grants. In this context, **we note with concern the TRP's observation of an increasingly vertical use of RSSH funding in single disease programs**, even though these funds are intended to strengthen broader health systems. We **trust that the GF will carefully look at these findings and strategically address them under the RSSH roadmap right on time for the upcoming allocation period**.

Civil Society and Community Engagement

- To foster stronger and more inclusive health systems, **the engagement of civil society and communities is paramount**. Without their direct engagement in the programming and implementation of health programmes, those currently left behind will not be reached. This applies in particular to key populations and those structurally excluded from prevention and care services.
- As the **three diseases affect key and vulnerable populations disproportionately**, it is essential to make health services more accessible to them. If we want to end the epidemics by 2030, we need more advocacy and political commitment to **break down structural exclusion, gender related and human rights barriers** that still exist in societies and health systems all over the world, and are one of the root causes of social inequalities. We highly appreciate the priority given to this topic in the ED report.

HIV Prevention

- **HIV prevention is still a challenge in many of our partner countries**. We have noted with concern in the 2019 Results Report that in comparison to 2017, there were one million less people reached in 2018 by prevention activities. Recent updates from the *Global HIV Prevention Coalition* confirm the weak progress on prevention targets, whereby adolescent girls and young

women are disproportionately affected by new infections. We see an **urgent need to address this programmatic gap in the upcoming grant cycle** and welcome the emphasis on this topic in the report of the Executive Director (ED).

- To end the epidemics, we need to actively support partner countries to **leverage investments in HIV prevention**, especially in countries where investments in HIV prevention are below the recommended **25%** of the total HIV investments. In addition, advocacy is needed to break down human rights barriers that impede access to health services for those structurally excluded, as well as discriminated against and deprived of their rights. Recurring criminalization of certain population groups illustrate that vulnerability is often caused by policies and underline the need for action.
- We expect the GF to find an **appropriate balance between treatment and prevention** for the upcoming funding cycle to ensure that people do not become infected in the first place. In this context, the **successful replenishment should provide some leeway**, relieving some of the pressures of “trade-offs” between treatment and prevention.

2. Aligning and coordinating efforts along the SDG 3 Global Action Plan

(Reference Documents: not applicable)

Role of the Global Fund

- Better collaboration and joint action will be key to the success of the GF and its partners and to achieving more efficiency gains in the coming years. We welcome the engagement of the GF in the context of the **Global Action Plan to promote Healthy Lives and Well-Being for All**. It offers a unique opportunity to engage, to accelerate, to align and to account. We need to maintain this momentum and ensure that **commitments translate into concrete measures to improve impact and efficiency at country level**. We are looking forward to the interactive session at this Board meeting on the GF and the SDG 3 agenda and to learning more about the GF’s next steps to **make the guiding principles of the action plan a reality at country level**. The upcoming country dialogues offer a window of opportunity to stimulate coordination and country-ownership. In this context, we should also elaborate how the cooperation and signed memorandum of understandings between the GF and various actors such as UNAIDS might have an impact at country level.
- Alignment is especially important when it comes to countries transitioning out of external support schemes. If we want to avoid losing the gains made in this process, early planning is paramount. We would like to better understand and discuss how to leverage **measures to coordinate transition planning processes in partner countries** amongst the donor community, including the GF and Gavi being the major funding mechanisms as well as UNAIDS and others.

3. Preparing the Global Fund for 2023 and beyond

(Reference Documents: GF/B42/05; GF/B42/09)

Strategic Focus and Mandate beyond 2022

- The **discussions on the next strategic period** of the GF started gradually and will gather pace **next year**. This provides an excellent opportunity to analyse the GF’s current mandate and **potential strategic focus beyond 2022** critically. We need to discuss how the GF can (further) contribute towards the SDGs. Especially, as this might be the last option for possible adjustment before the end of the SDG era in 2030. For this, we request a thorough analysis in the context of the Strategic Review in 2020, and encourage applying a **broader lens** that also integrates common co-infections with relevance for the fight against the three diseases, e.g. like with **some of the neglected tropical diseases (NTDs)** and hepatitis.
- One of the paradigm shifts introduced by the SDG era was the approach to **address challenges in a more interlinked and cross-sectoral way**. For the health sector, this **requires holistically applying a One Health approach** that unites human health, animal health and environmental

issues. In our view, a more comprehensive approach would not put the GF at risk of losing focus but instead would build synergies in fighting the three diseases (especially TB) and that are essential when looking at the agenda 2030 as a whole. By taking these complex interrelations and other challenges like antimicrobial resistances into account for the strategy beyond 2022, the GF **could prove its future viability and sustainability**.

Strategic Review 2020

- We welcome that the Strategic Review 2020 does not only look back at what we have achieved so far, and how we have achieved it. Instead, it also **informs the implementation of the current strategy and the development of the next strategy post-2022**. In light of this, we expect the review to look beyond the GF's impact against the three diseases and **more broadly at its effect on national health and community systems, UHC and global health security**. This should include a look at two questions that the last strategic review did not address in 2017: To what extent will the **GF's business model** need to adapt to maintain relevance beyond 2019? And, what is the **GF's comparative advantage** beyond 2022, in particular if we keep its current narrow mandate?
- Referring to the last Strategy Committee meeting, we would like the review to look at the following aspects: new and ongoing **priority areas of the next strategy** compared to the current one; **duration** of the new strategy; inclusion of new aspects in the **context of UHC**; and vision for an **extension of the mandate**. We should also address how to proceed with the strategy development towards a holistic approach – **without “falling into blocks”** of HIV, TB, Malaria and RSSH, and what we can learn from previous strategy processes including the current one. Assessing possible alignments, also with UHC advocacy partners, could be a first step. In the context of the strategy development process, we should also look into **potential changes to the Global Disease Split** so that we have a reviewed approach from 2023 onwards.

4. Looking at the upcoming Board discussions and decisions

Reference Documents: GF/B42/04; GF/B42/05; GF/B42/10; GF/B42/11; GF/B42/12; GF-OIG-18-017; GF/SC10/03+04)

Sustainability, Transition and Co-Financing (STC)

- The reports of the TERG, OIG and TRP confirm that the GF has made significant progress in implementing the STC policy. We **acknowledge that the GF is a “frontrunner”** with respect to sustainability and transition processes and in generating domestic spending for health. However, the above-mentioned reports also highlight that many **challenges remain** like gaps in domestic financing services for key and vulnerable populations, the need to address health system weaknesses that affect the sustainability of disease programmes more strategically and insufficient in-country coordination and oversight of STC-related efforts.
- We welcome the joint recommendations agreed by the Secretariat, TERG, OIG, and TRP to address the ongoing challenges. It will be important to **maintain the high level of attention on STC-issues on Board and Committee level**. In this context, we **appreciate the conclusion of the Strategy Committee that TERG reviews** (i.e. the one on STC, but also generally) **should be responded to with management response by the Secretariat** similar to the OIG procedure, and are looking forward to these.
- We agree with the Secretariat that many challenges on sustainability and transition also depend on a country's political will. Therefore, the GF's ability to influence these challenges will remain limited, especially as financial support decreases towards transition. Admitting that some of the challenges cannot be addressed by the GF alone makes a **strong case for close collaboration with other bi- and multilateral actors as well as national CSOs** to stimulate political will. This includes increased domestic financing for health in particular for key population services to ensure equitable access to quality-assured and affordable health products and services.
- We very much welcome the positive trends in domestic spending and future commitments stimulated by the implementation of the STC policy. Efforts of the GF to increase domestic spending should be embedded in the broader goal to increase the general health budget in the

context of achieving UHC. We also would like to underline, that **co-financing commitments should be made publicly available**. External and in-country actors should have **easy access to details about these arrangements**, including information such as the area for which the country is committing co-financing and information about the current state of co-financing expenditures.

- Experience shows that **some countries transition with health system gaps** leading in the worst case to treatment interruptions. The Board will decide at its upcoming meeting on the **extension of the Wambo.org pilot to already transitioned countries**. While Wambo.org is not a solution for all national procurement challenges, it will **strengthen access to affordable and quality-assured health products for countries post-transition**. The GF should, however, also consider how to address other STC-related challenges post-transition, for example by providing time-limited technical assistance to address these challenges and strengthen political will.

Country Coordinating Mechanisms (CCMs)

- **We appreciate the work that has gone into the CCM Evolution pilot** over the past year, both by the GF and the piloted CCMs. The challenges noted in the update (compliance-oriented assessments, overwhelming consultant missions, and short timelines) align with our observations.
- **National coordination, partnership and engagement of civil society are essential to achieving the GF's strategic objectives**. We continue to be committed to supporting these principles, including through technical assistance. As highlighted by the ED in his report, **CCMs can be crucial instruments** for working towards these principles. However, CCMs are **not ends in themselves**. The pilot's findings confirm the 2016 OIG report's analysis that many CCMs do not perform their key functions adequately, even after significant investments and technical assistance. Therefore, moving into the preparation phase for the GF's next strategy beyond 2022 gives an opportunity to **reflect critically on the role of CCMs in the GF's business model**.
- **Without engaging civil society and key populations effectively, we cannot end the epidemics**. Their inclusion in national coordination of GF grants is the key feature of CCMs. Yet, as the pilot and the OIG report both show, many CCMs perform poorly on this function. We need a **discussion on strategies and approaches for assistance to foster adequate civil society participation** in the long term, and assess critically if CCMs are the right vehicle for this.
- Feedback on the CCM evolution pilot also confirms the **importance of an active engagement between CCMs, their committees and the GF Country Teams**. Only if a **constructive dialogue with Country Teams** on recommendations and decisions by the CCMs is established, the principle of national coordination can be achieved. We therefore also welcome the current inclusive elaboration of country specific action plans in Western and Central Africa, which are a result of the OIG's advisory report.

We are looking forward to your comments and questions!

Germany Constituency

GER-FP-GFATM@giz.de

Japan Constituency Statement for the 42nd Global Fund Board Meeting

Japan would like to thank everyone who contributed to the recent successful replenishment drive, demonstrating the power of partnership and opening the way to ending epidemics by 2030. The GF should invest the pledged funds in the most effective way to attain health and wellbeing and achieve the related SDGs. Challenges and recommendations have already been clearly stated in the report of the TRP, OIG among others, so we must now plan and work together for our common goals. Below are the issues Japan would like to draw your attention to.

1. Sustainability, transition and co-financing (STC)

Many countries will transition from the GF grant in the coming years even if they still face challenges of weak health systems or a lack of sustainable health financing. It is critically important for countries in transition to have ownership of the transition with assessment and planning for its success of transition and sustainability of programs towards ending epidemics. Partners should also make joint efforts to support countries prepare for transition, mobilize domestic resources, and build capacity for sustainability. Observing the co-financing requirement is an important step, and coordinated actions within the implementing governments, particularly dialogues with financial authorities, are indispensable. Other financial sources such as concessional loans of bilateral and multilateral aid agencies could be used together with the Global Fund funding to make synergistic effect for strengthening health systems and ending epidemics for countries in transition. In line with the administrative procedures and key actions that have been set out by the GF, we should take necessary actions, and the GF should monitor and analyze the situation and report back to the board.

2. Strengthening RSSH for achieving UHC

Despite the effective and accumulated investment by the GF, many people still do not have access to health services and continue to be pushed into extreme poverty. This challenge can only be overcome by effectively addressing the root causes behind the lack of access to health services, particularly through building resilient and sustainable systems for health. Noting that the GF has become a large RSSH funder in most countries, the GF should be strategic when undertaking this important role. Regarding coordination with other stakeholders about strategy planning for RSSH, efforts should focus particularly on the areas of health financing and health workforce by assessing each country's disease burden and tracking its health budget. This is also indispensable

for the success of STC. Based on the RSSH Roadmap, we should continue to set out, and allocate the necessary budget for, concrete priority actions that include monitoring indicators and the accountability framework.

3. CCM for integrated programming as a platform for aid coordination

For the GF to play a responsible role in countries, the CCM should be strengthened to monitor and oversee project implementation and to work as an effective catalyst to facilitate coherent and consistent collaboration among global health actors. The CCM evolution initiatives have shown potential to lead strategic dialogue in countries, particularly those with other UHC related initiatives. Priority areas for coordination and joint work include national health budgeting, health workforce planning, accountability frameworks and risk assessment. All of these are necessary for the successful RSSH and STC.

4. Efficient grant making – comprehensive and accountable technical assistance (TA) –

To ensure the quality of new grants in the run up to the next grant cycle, it is critically important for partners to work together, including by providing necessary TA. Countries should plan integrated programming and pay more attention to gender, human rights, and key populations, with no-one left behind. The GF secretariat should take the lead in jointly assessing countries' TA needs and carrying out stocktaking, while designing comprehensive TA together with partners. Data-driven performance measurement should be ensured for accountability. The GF should carefully study past TA performance and take necessary measures to improve the effectiveness of TA.

(end)

Point Seven Constituency

Position Paper to 42ND Board Meeting

Board meeting opening

- Point Seven appreciates the organization of the **board agenda** this time. Less items and more time for strategic discussions. Much appreciated.

Report of the Executive Director

- Point Seven congratulates the GF on its successful Replenishment which resulted in USD 14.2 billion. Partners have been very generous at this crucial stage of fighting the diseases indeed. Recognizant of the fact that even more funds are needed to drive the 2030 agenda, P7 would like to understand the outlooks of domestic financing for 2020-2022 and **welcomes the perspective of national governments on this.**
- We appreciate that the report of the ED articulates the slow progress on ‘underlying policy and socio-economic determinants of the epidemics’ including **human-rights related barriers and gender inequalities** and the need to being more responsive to the needs of key populations if the fund is to reach its targets. This is indeed reflected in the KPI on service delivery for key populations, which continues to be the worst off KPI. Hence, **P7 is very interested to hear concrete plans for the upcoming programme cycle to address these issues.**

Sources and Uses of Funds for 2020-2022 Allocation Period

Decision: P7 welcomes the recommendations of the Secretariat and the AFC on the amount of sources of funds for allocation in the 2020-22 period and is ready to vote for approval

- Whilst we approve of the final amount estimated to be available for country allocations, we would like the Secretariat to elaborate on where the amounts withheld by donors for technical assistance (‘set asides’) are reflected in the overview of figures, as these amounts will not be available for country allocations?
- As donors, we are happy with all measures that increase the amount available for country allocations but, where this is driven by carry-over from the previous replenishment cycle, this is a mixed blessing. Although perhaps counter-factual, we would like more information on the grants not spent and its impact on underperformance on KPI’s / objectives not achieved.

- Although 91% is above the absorption bench mark in absolute numbers it is a substantial amount of money. In line with the above question; P7 would like to understand its effect on meeting the objectives & performance.

Approval of the 2019 Corporate Work Plan and Operating Expenses Budget

Decision: P7 welcomes the 2020 Work Plan, OPEX Budget and Budget Narrative and is ready to vote for approval

- P7 commends the budget discipline that has been shown during the previous three-year period, and the laudable ability of the Secretariat to consistently operate within and – often – below the amounts in the agreed budgetary envelope for OPEX.
- Given that 2020 promises to be a particularly complex first year of the new business cycle, P7 is supportive of the 2020 OPEX Budget.
- However, P7 would like to have seen more clearly set out, under each of the six priorities, why the particular figures for additional spending were arrived at? We also like to understand how this financial injection benefits the affected countries.

Implementation of the 2017-2022 Strategy: Strategic Performance Reporting

Point 7 welcomes the synthesis document or “cover letter” as a complement to the matrix. It explains the context and provides some high-level trends. This is a step in the right direction which we welcome and would like to see further elaborated to enable a more strategic level discussion at the Board.

- We note with satisfaction that **disbursement**, utilization as well as absorption rates seem to be on track, we understand that measures to even further improve absorption rates are being developed.
- We are concerned that, although HIV incidence among adolescent girls and young women (AGYW) is declining, the rate of decline is too slow. How will the GF adjust its strategy focusing more on **prevention**, especially behavior change? How can the technical partnership with UNIADS be strengthened?
- Very concerned that comprehensive packages for **key populations** (KPI 5) is still far below target. This is a recurrent issue and we understand that it is a multifaceted issue. However, this is at the core of the Global Fund’s mandate and it’s unfortunate that it is the KPI always lagging behind the most.
- Would like to pose question to the Secretariat and technical partners: based on results, experiences, lessons learnt and evidence at hand – **what shifts in approach does the GF have to make?**
- P7 is pleased to note the progress achieved in the area of TB, including the recent landmark deal that secures significant discount on price of medicine to prevent TB. However, despite progress we note with concern the areas lagging behind, including %PLHIV starting IPT and

#MDR-TB patients treated. Note that the gaps in projections seems to be driven by the same countries across the portfolio. Would welcome more information on plans in these respective countries, including on providing matching funds for TB grants.

Sourcing and Supply Chain

Decision: Point 7 is ready to approve GF/B42/DP04: Evolving the wambo.org pilot for non-Global Fund-financed orders.

- In line with the SDG3 GAP, it is important to look at synergies and collaboration across different organizations, also in the area of sourcing and supply chain.
- We see the proposal as a good next step to test out this concept to determine the feasibility and any unintended consequences. As per the risks identified in the proposal, it is important that the Global Fund carefully monitors the impact of the proposed changes change on product pricing (to ensure competitiveness and affordability), payment defaults, Global Fund's labor capacity, diversity of suppliers, stock-outs, and more.
- Improved procurement practices don't necessarily lead to improved use of medication and treatment. P7 is wants to understand how with the help of the wambo platform, GF can optimally contribute to the entire value chain, including building of national capacities for delivery, health workers training, quality of care, good use of medication and lastly, treatment and recovery.

Discussion session: Governance Culture & Effectiveness

- P7 welcomes the work on Governance culture aiming at improving Governance effectiveness.
- P7 is quite concerned about the process of selection of board committee members as it lacks the kind of "culture" and transparency we would appreciate within the Global Fund. We believe that the original proposal allowing all constituencies to have a seat at either the SC or the AFC served its purpose. We would like to make a plea to board colleagues to accept and appreciate the input of all board members. We need a board which is working on the basis of that principle of equality and thus to accept the need of all its members' in different capacities..
- Ultimately, our governance functions should lead to better health outcomes – we (the Board) should always "test" our governance performance against our mission and objective and see if we can improve.

The Global Fund & the SDG3 Agenda

- P7 welcomes the inclusion of this agenda item at the meeting, opening up for a strategic dialogue and a more coherent approach to SDG 3 and the global health architecture
- We believe that the three dimensions of this plan are well defined

- The commitment for **alignment** and more efficient ways of working among the 12 organizations – and beyond that; with countries across the world. What will the alignment agenda mean concretely for the Global Fund?
 - The seven **accelerators** will require both coherent efforts among the organizations but also across the **accelerators**. How will the Global Fund use its Health System Strengthening funding /programming to support work on the accelerators?
 - The plan looks solid. Yet, for P7 the third dimension of the plan – **Accountability** – is crucial. How will we be able to monitor and learn from the Global Fund's progress on alignment, the accelerators and the accountability?
- UHC must be a broad and domestically led agenda. Nevertheless, the Global Fund represents one of the largest mechanisms for international support to countries on health. It is imperative the Global Fund enhances support for HSS and UHC. But in order to do that as effective as possible, the Global Fund should be clear where it has value added: in the current context this could be health commodity procurement, data for decision making, and supply management; but in the long term when countries are taking over these responsibilities, the GF's added value may lie in the areas of innovative health financing, innovations, and the human rights approach to the three diseases. The Global Fund should establish clear policies on how it will contribute to national capacity building within these domains in strong collaboration with other major actors – and in line with the GAP accelerators on finance, supply and data.

POSITION DE LA DELEGATION AFRICAINE POUR

« ACCELERER LA MISE EN ŒUVRE DES INVESTISSEMENTS DU FONDS MONDIAL EN AOC POUR METTRE FIN AUX EPIDEMIES »

Le récent rapport consultatif du Bureau de l'Inspecteur Général (BIG) sur la mise en œuvre des subventions en Afrique occidentale et centrale signale que dans cette région, les résultats liés aux investissements du Fonds Mondial demeurent insuffisants pour susciter une élimination effective des pandémies. En effet, la morbidité liée au VIH y est de 9,2% ; celle relative à la tuberculose y est de 5,8% et de 40% en ce qui concerne le paludisme. Au cours des sept dernières années, les décès liés au paludisme n'ont été réduits que de 31%, ceux liés au VIH de 27% en 8 ans par contre les décès liés à la Tuberculose ont augmenté de 5%. Cette situation est due à la grande fragilité de la région caractérisée par : une faible marge budgétaire entraînant des déficits de financement importants ; un financement de la santé insuffisant pour répondre aux nombreux défis ; un système de santé encore trop peu structuré et un environnement fragilisé par les crises climatiques, politiques et sociales. Fort de ce constat, le BIG a émis une série de recommandations au Fonds Mondial dans les domaines suivants : la flexibilisation des procédures, la révision des modalités de mise en œuvre, la planification et la redevabilité de l'assistance technique et l'accès à la santé pour impulser une dynamique d'accélération de l'élimination.

Les pays de la région Afrique de l'Ouest et du Centre (AOC) se sont appropriés le rapport à travers plusieurs réunions à Dakar et à Addis-Abeba. Par une démarche inclusive et concertée, la circonscription de l'Afrique de l'Ouest et du Centre a fait émerger les contributions des pays concernés au Rapport consultatif du BIG.

Les pays de la région Afrique de l'Ouest et du Centre félicitent l'OIG pour ce rapport et reconnaissent l'immense contribution du Fonds mondial à la lutte contre les pandémies dans cette région. Ils soutiennent par ailleurs toutes les recommandations émises, et comptent jouer le rôle qui est attendu d'eux en matière de portage politique et de vision du développement humain et du bien-être de leur population. C'est pourquoi ces pays réaffirment leur engagement à accroître le leadership de leurs États dans l'appropriation des investissements du Fonds mondial et dans la coordination de tous les autres investissements effectués dans le domaine de la santé. Cela passe notamment par un meilleur fonctionnement, un leadership plus affirmé et renforcé des CCM, la gouvernance et la mise en œuvre des subventions par les gouvernements.

1. **En matière d'accès à la santé**, les pays de la région Afrique de l'Ouest et du Centre (AOC) appellent de leurs vœux une accélération du déploiement de la Couverture Sanitaire Universelle, une plus grande mobilisation et utilisation rationnelle et effective des ressources domestiques et la mise en œuvre de mécanismes innovants tels que l'investissement du secteur privé dans la santé. A cet effet, la Circonscription de l'Afrique de l'Ouest et du Centre salue les contributions financières appréciables de plusieurs pays de cette région lors de la sixième conférence de reconstitution du Fonds Mondial. Elle voit dans ces récents événements des prémices d'un engagement accru. Elle invite en retour le

Fonds Mondial à un ajustement des allocations budgétaires et des programmes aux contextes des pays, et salue les annonces faites lors de la Conférence de Reconstitution à Lyon du développement des Partenariats Publics-Privés pour la santé, grâce à des alliances avec des entreprises innovantes dont l'activité représente une valeur ajoutée certaine dans la lutte contre les pandémies.

2. **En matière d'appui technique**, les pays de la région Afrique de l'Ouest et du Centre ont convenu qu'il leur revenait de coordonner les interventions contribuant à un système de santé résilient et pérenne. Pour se faire, ils ont prévu **de se doter chacun d'un plan consolidé d'assistance technique comme base de toute intervention en vue d'un meilleur alignement assorti d'un code éthique pour l'assistance technique**. Dans cette perspective, ils attendent de tous les partenaires techniques plus d'intégration et d'harmonisation des interventions dans le domaine du renforcement des systèmes de santé, ainsi que leur alignement effectif sur les besoins et les plans d'assistance consolidés. Ce n'est que dans une approche coordonnée, harmonisée et concertée que les appuis techniques gagneront en valeurs ajoutées et apporteront les résultats attendus au regard des investissements financiers importants consentis dans ce domaine.
3. **En matière de mise en œuvre**, les pays de la région Afrique de l'Ouest et du Centre demeurent préoccupés par la fragilité de leur système d'approvisionnement, et plus généralement par la question centrale des produits de santé (leur prix, leur qualité, ainsi que le stockage et la distribution jusqu'au dernier kilomètre), lesquels constituent le maillon faible de leurs systèmes de santé. Cette situation est aggravée par la multiplicité des systèmes parallèles et des trop nombreux acteurs impliqués dans l'achat et la gestion des médicaments sans qu'aucune concertation ne soit possible. Cette situation entraîne une désorganisation massive du système, une incapacité à lutter contre les faux médicaments, et un coût trop élevé pour le patient, même dans le cas de la supposée gratuité. **C'est pourquoi, les pays de la région Afrique de l'Ouest et du Centre souhaitent que la mise en œuvre des plans de transformation de la chaîne d'approvisionnement soit accélérée et qu'elle inclut le renforcement en ressources humaines, des systèmes d'assurance qualité performants et la dématérialisation des processus (digitalisation)**. L'alignement des PTF sur le système et les mécanismes nationaux de gestion des approvisionnements sera déterminant pour une structuration satisfaisante du secteur pharmaceutique.
4. La région Afrique de l'Ouest et du Centre note que le rapport consultatif ne s'est pas penché sur le rôle pourtant central joué par le dispositif des Équipes Pays du Fonds Mondial depuis 18 ans, dont aucune analyse n'apprécie actuellement l'efficacité sur les subventions. **Les pays demandent que le BIG complète sa revue par une évaluation de l'impact des Équipes Pays (étendues aux AGF et LFA) depuis l'élaboration jusqu'à la mise en œuvre des subventions (passées et actuelles) assorti de propositions d'amélioration du fonctionnement et de la relation entre les pays et ces acteurs majeurs.**

POSITION OF THE AFRICAN DELEGATION ON

« ACCELERATING THE IMPLEMENTATION OF THE GLOBAL FUND INVESTMENTS IN WCA TO END EPIDEMICS »

The Office of the Inspector General's (OIG) recent advisory report on subsidies implementation in West and Central Africa shows that, in this region, the outcome of the Global Fund investments is still inadequate to effectively eliminate pandemics. Indeed, HIV-related morbidity is at 9.2%, tuberculosis at 5.8% and malaria, 40%. In the last seven years, malaria-related deaths have decreased by only 31%, HIV-related deaths by 27% in 8 years, while tuberculosis-related deaths have increased by 5%. This is due to the great vulnerability of the region characterized by: a low budgetary margin that leads to significant funding gap, insufficient health funding to meet the numerous challenges, a health system that is still too unstructured and an environment weakened by climate, political and social crises. Bearing that in mind, the OIG issued a series of recommendations to the Global Fund in the following areas: flexible procedures, revision of implementation conditions, planning and accountability of technical assistance and access to health to trigger an accelerated dynamic to eliminate pandemics.

West and Central Africa (WCA) countries have taken ownership of the report thanks to several meetings in Dakar and Addis Ababa. Using an inclusive and collaborative approach, the constituency of West and Central Africa highlighted the contributions of the countries involved in the OIG advisory report.

West and Central Africa countries commend the OIG for the report and acknowledge the immense contribution of the Global Fund to the fight against pandemics in this region. They also support all the recommendations made and intend to play their expected role in political leadership, the approach on human development and the well-being of their population. Therefore, these countries reaffirm their commitment in increasing the leadership of their States so they take ownership of the Global Fund investments and in coordinating all the other investments in health. This implies a better functioning, a stronger and reinforced CCM leadership, governance and governments that are implementing grants.

1. **Regarding the access to health**, West and Central Africa (WCA) countries wish for an acceleration of the deployment of Universal Health Coverage, a greater mobilization, a rational and effective use of domestic resources and the implementation of innovative mechanisms such as the private sector investing in health. To this end, West and Central African Constituency commends the significant financial contributions of several countries during the Global Fund Sixth Replenishment Conference. It notices in these recent events, the early stages of an increased commitment. In return, it invites the Global Fund to adjust budget allocations and programs to the country contexts, and welcomes the announcements made during the Lyon Reconstruction Conference to develop health Public-Private Partnerships, through alliances with innovative companies which activity represents a definite added value in the fight against pandemics.

2. **Regarding technical support**, West and Central Africa countries acknowledged that it was their responsibility to coordinate interventions that are contributing to a resilient and sustainable health system. In order to do so, they planned **to each have a consolidated technical assistance plan that will serve as a basis for any intervention, as well as a better harmonization with a technical assistance ethic code**. In that respect, they expect from all technical partners, a better integration and harmonization of the interventions related to the strengthening of health systems, as well as their effective alignment with the needs and consolidated assistance plans. Considering the significant financial investments made in this area, only a coordinated, harmonized and collaborative approach will allow technical support to gain added value and will result in the expected outcomes.
3. **Regarding implementation**, West and Central Africa countries remain concerned about the fragility of their supply system, and more generally by the main issue of health products (price, quality, storage and distribution) as they are the weak link in the health systems. The situation is worsened by the numerous parallel systems and the fact that too many stakeholders are involved in purchasing and managing drugs without any possible consultation. This situation leads to a considerable disarray of the system, an inability to fight against fake drugs, and a cost that is too high for patients, even when it is supposedly free. **That is the reason why West and Central Africa countries wish for the acceleration of the implementation of the change of the supply chain and also that it includes strengthening human resources, competitive quality assurance systems and the dematerialization of processes (digitization)**. The harmonization of Technical and Financial Partners with the national supply management system and mechanisms will be decisive for a satisfactory structuring of the pharmaceutical sector.
4. West and Central Africa region notes that the advisory report did not address the main role played by the Global Fund Country Teams, as no analysis has assessed the effectiveness of the grants for 18 years. **Countries request that the OIG completes its review with an assessment of the impact of Country Teams (extended to AGFs and LFAs), from the development to the implementation of past and current grants, as well as suggestions to improve the functioning and relationship between countries and these major stakeholders.**

Position Statement of the SEA Constituency to the 42nd Board Meeting

The GF SEA Constituency like to associate with other Constituencies in applauding and congratulating our Executive Director of the Global Fund Peter Sands and his very able team for the great successful achievement of the 6th Replenishment target of US\$ 14 Billion, in fact exceeding the target as the total pledges was US\$ 14.02 Billion. This will enable the Fund to not only save 16 million lives in next three years but also expected to put the Fund back on track to achieve SDG goals by 2030 i.e. eradicating all three diseases. SEA Constituency commend the GF leadership and join others in thanking all the donors for their generous pledges. Our special thanks are due to President of France H.E. Emmanuel Macron for not only hosting the Lyon meeting but also leading the call for pledges. And in equal measure SEA Constituency would like to thank the Government of India and Ministry Health and Family Welfare for hosting the Preparatory Meeting for the 6th Replenishment of Global Fund in Delhi.

SEA Constituency Leadership has been active throughout the year after the last 41st Board Meeting by carrying the routine activities of the sharing and disseminating the Board related information with the CCMs in the Member States. Organizing Skype Meeting in the region and also participating the Committee Meetings sometimes in persons but mostly through virtual participation.

The trend of virtual participation is increasing particularly in SEA region considering the time and cost saving. However, we would reiterate some of the problems that affects quality of participation such as, due to time difference it is not convenient in most of the cases. We feel it is a serious disadvantage when it is compounded with network problem and poor connection.

SEA Constituency Pre-Board Meeting was successfully organized in Thimphu, Bhutan on 31 October 2019 back to back with the 1st RCM Meeting held on 1 - 2 November 2019. In the pre-Board Meeting while updating the current status of the three diseases by the delegates from the Member States, it showed significant progress compared to the last Pre-Board Meeting but in some countries much more needs to be done. All the delegates were convinced that because of the geographical situation in the region unless the cross-border issues are adequately addressed it will be a herculean task and real challenge for the individual countries in the region to eliminate the three diseases. All the delegates stressed that the Regional Coordination Mechanism (RCM)

launched by the Pre-Board Meeting in October 2018 in Myanmar needs to be fully operational in in taking the lead and addressing the cross-border issues.

Another issue is strengthening Constituency of the Board Governance and CCM Governance with enhancement of financial grant from Global Fund for effective participation and support by Constituencies like SEA where the National Governments cannot afford to assist it and partners are fatigued in supporting it. As we all know the CCM Governance playing very vital role to oversee and decision making in the country level and Board constituency in Regional level. This CCM and Constituency Governance model made the Global Fund investment very efficient and effective model in the implementing countries. So The GF Board should think about strengthening of Constituency Governance in regional level and CCM Governance in country level by enhancing financial support from the Global Fund under OPEX and technical support to establish this model in country level.

Since The term of the current SEA Constituency Leadership will end in mid-2020 the Pre-Board Meeting after extensive deliberation concluded by agreeing Bhutan to be nominated as the next Board Member and India as the Alternate Member.

Regional Coordination Mechanism (RCM) Meeting approved a simple and transparent structure with basic minimum staffing for serving as Secretariat for the Regional CCM and Steering Committee. The RCM will function through the existing National programs and built partnership with the regional bodies - such as WHO, UNAIDS and other relevant UN bodies, SAARC, ASEAN, INGOs. NGOs, Civil Society, Private and Corporate Sector.

The meeting further decided to apply for Global Fund (GF) Grant for a sustainable Malaria elimination through District Health System Strengthening on both side of the International border in the following seven countries – India, Bhutan, Nepal, Bangladesh, , Sri Lanka (Prevention of reintroduction), Maldives (prevention of reintroduction) and Myanmar. The border between Indonesia and Timor Leste will be included as the resources becomes available. RCM has also been given mandate to mobilize resources besides Global Fund and enhancing domestic contribution but also from the other donors, Financial Institutes and Foundations.

SEA Constituency request Global Fund for consideration of an adequate start up grant for the SEA Regional Coordination Mechanism (RCM) to enable not only to eliminate Malaria, TB and HIV but also to enable the region to achieve UHC and SDG3 by 2030.

UK Constituency Statement to 41st Global Fund Board Meeting

10 May 2019

Enhancing the Global Fund's role in realising Universal Health Coverage.

The UK is fully committed to a successful 6th replenishment for the Global Fund and the ambitions set out in the investment Case. We believe that the next three years present a critical window to intensify efforts to fight HIV, TB and malaria and ensure the necessary progress towards ending the epidemics by 2030 and realising SDG3. We need to secure the gains made to date, accelerate the prevention of new infections, and create the foundation for the final push to 2030. At the same time, as we collectively prepare for the High Level Meeting on Universal Health Coverage (UHC) in September, we must recognise and champion the important role the Global Fund can play in realising UHC. We now have a critical opportunity to develop the capabilities and structures within the Global Fund to position it to make a meaningful contribution, not only to addressing the three diseases, but also to the goal of UHC more broadly and the wider health agenda.

The framework for UHC is set by national health systems and structures utilising the combined contributions of public and private providers. In the next replenishment period, the Global Fund needs to much more firmly integrate its activities in national systems and structures, using the opportunity presented by the development of country road maps for UHC, as well as other sector wide national strategies, to support country- owned health systems for UHC. Delivering UHC requires countries to scale up evidence- based packages and services to meet priority health needs including the three diseases as appropriate. The Global Fund needs to help governments to make evidence-informed decisions on the packages and their delivery as they relate to the three diseases and align their support to these packages accordingly. Achieving UHC also requires countries to develop financing strategies that raise more money for health and promote efficient, equitable and sustainable health spending based on nationally identified and prioritised needs, including, but not exclusive to, the three diseases. The Global Fund should contribute to this effort by ensuring that investments in HIV, TB and malaria are situated within this wider assessment of overall health financing needs at country level, and that its own work to raise domestic resources for the three diseases is cognisant of and aligned with these wider plans and decision-making processes. The Global Fund also has an important role in championing these principles of national ownership, collaboration and coordination

in its contributions to the SDG3+ Action Plan “Towards a Global Action Plan for Health Lives and Well-being for all: Uniting to accelerate progress towards the health-related SDGs”

We cannot afford continued high rates of new infections, either in terms of the human tragedy or the economic cost. Across all three diseases we need a greater focus on prevention as part of an integrated, people-centred approach to UHC. We need to protect all individuals from harm and strengthen systems to provide health security for all, including addressing the issue of antimicrobial resistance. As a major funder of the three diseases, the Global Fund must play a stronger role in helping to prioritise the prevention agenda, ensuring that its processes, both within the organisation and within country decision-making fora, clearly incentivise this shift to prevention, while also ensuring access to treatment for those who need it. Prioritising prevention also means tackling the social and structural determinants of the three diseases. This includes addressing stigma and discrimination, promoting women’s empowerment and strengthening action to end violence against women. Countries need to address the underlying causes of disease, within individuals, families and communities, and the Global Fund needs to link their programmes to these wider systemic efforts as outlined in the SDG3+ Global Action Plan Accelerator 4.

We need a greater focus on the most vulnerable and marginalised so that efforts to tackle the three diseases contribute to a truly universal health system and the wider SDG agenda. We need more attention for the countries that are poorest and disproportionately affected by the diseases, and for populations who are consistently left behind. We need the Global Fund to take a hard look at how best to deliver in countries affected by social or institutional fragility, where capacity may be most limited, or which are characterised by conflict and violence. Achieving truly universal health coverage will require the development of more equitable health systems which are accessible to all. The Global Fund has a key role to play in supporting countries to collect more and better disaggregated health data and to use it to develop approaches that target those currently hardest to reach with health and prevention services, as well as to intensify efforts to strengthen the rights of all individuals to access the services they need, irrespective of who they are.

As we work towards a successful 6th replenishment and the realisation of the ambitions set out in the Investment Case to address the three diseases, let us consider how we can use the next three years to ensure the stage is set for the Global Fund to make a truly meaningful contribution to UHC and health for all.

UK Statement for the 42nd Board Meeting of the Global Fund

8 November

The UK would like to thank everyone who was involved in delivering an outstanding outcome on the Sixth Replenishment, particularly the Secretariat, France and civil society advocates. We were very pleased to play our part in this through our £1.4 billion pledge.

As the Executive Director's report notes, it is critical that these resources now deliver the step change required to end the epidemics and deliver on our commitments to SDG3.

We welcome the report of the Executive Director and support the priorities laid out there for further organisational strengthening and developing high impact grants for the Sixth Replenishment period.

We also welcome the report from the Technical Review Panel setting out their observations on the 2017-19 allocation cycle and their recommendations for the five key shifts that the Global Fund needs to make in the next grant cycle: improve priority setting, increase focus on prevention and reducing incidence, strengthen cross-cutting RSSH programming, community systems strengthening and sustainability and transition.

The UK has set out our priorities in a published performance agreement <https://www.gov.uk/government/publications/global-fund-performance-agreement> under the broad headings of: leadership and collaboration, organisational effectiveness, impact on the three diseases and sustaining the fight against the three diseases. These priorities are closely aligned with the priorities set out in the Executive Director's report and the shifts recommended by the TRP.

We would flag particularly:

- Concrete actions to take forward the collaborative agenda set out through the Global Action Plan;
- Building systems for health in ways that support the goal of Universal Health Coverage through integrated programming, an area where we also made a statement at the 41st Board Meeting;
- Ensuring that the Global Fund's investments provide maximum impact on global health security including through addressing antimicrobial resistance;
- A stronger focus on high quality prevention programmes;
- Meeting the needs of those who are currently underserved to ensure that no-one is left behind;
- Ensuring impact and value for money with a stronger focus on cost-effectiveness;
- Increasing domestic financing for health in support of country-owned and led strategies for UHC.

We look forward to the discussions in the Board Meeting and over the next years as we work together to oversee the design and implementation of the Sixth Replenishment grants and to develop the next Global Fund strategy.