

1 July 2015 - Update for the Board

I. Introduction

The month of June has been intense with several important events: AEC and SIIC meetings, Partnership Forum in Bangkok and in depth discussions of strategies in partner organizations (WHO, UNAIDS, STOP TB Partnership).

We are looking forward to your presence at the Board retreat on 29-30 July in Geneva in order to further distil the framework of the new Global Fund's strategy and also to advance in our thinking about an optimal Board composition, and committee structure to enable the Global Fund to position itself in the post-MDG context.

II. Update from the Board Leadership

In the June monthly update, we communicated that the Board Chair and Vice Chair have decided to equally share responsibility to oversee the Board's performance regarding the six core functions as set forth in the By-laws. This means that the Board Leadership will share the workload in all core functions and they will be subject to a joint performance assessment. The methodology for the performance assessment process for the Board, Committee and Board Leadership is being developed by the TGC and will be shared for inputs shortly.

Ahead of the Board retreat at the end of July, the Board Leadership will reach out to all Board members to arrange individual telephone calls, in order to gather Board members' views on the strategy and governance.

On 8 June in Bonn, Norbert Hauser met with several Board constituencies (EC, Germany, Developed Country NGOs) to discuss a wide range of topics (strategy, replenishment, MICs, sustainability and transition planning, comprehensive funding policy under the funding model, civil society PRs' liabilities). On the discussion on MICs, the Developed Country NGOs argued that the timing for sustainability should be not less than five years, and that appropriate technical support needs to be provided in transition planning to help the countries to utilize their domestic resources more effectively. The Developed Country NGOs argue that there is a need for a more nuanced assessment of the key factors influencing a country's ability and willingness to take full domestic responsibility for health programs (incl. key populations).

During his visit to Geneva on 22-24 June, Norbert Hauser met with the Ambassador of Saudi Arabia to the UN in Geneva to discuss the support from Saudi Arabia to the Global Fund and potential synergies of cooperation with Saudi Arabia humanitarian assistance funds in countries where the Global Fund grants are implemented. In the post-MDG context the replenishment process will bring new challenges, and it is therefore important to reach out to existing donors who might be able to do more, and to new donors to ensure their cooperation in delivering the Global Fund's mission.

During the second Partnership Forum held in Bangkok, Aida Kurtovic met with representatives of several Board constituencies (South East Asia, Eastern Mediterranean, Communities, NGOs), partners and parliament members. During her meeting with Mrs Elisabeth Fong, Chair of the CCM of Fiji, the discussion was devoted to transition planning. Communities and civil society organizations drew to the Board Leadership's attention matters related to gender, legal barriers for the key populations, and strengthening of the work of community organizations in the areas of TB and malaria. There was a rich exchange of views with the parliament members from Bhutan, Cambodia, Bangladesh, India and Algeria, as well as Asia Pacific Parliamentarians for Population and Development.

III. Update from the Committees

01 Audit and Ethics Committee – from Graham and Claude

The 12th AEC Meeting took place on 11-12 June 2015, with agenda items including the approval of the external audit plan for the 2015 fiscal year, standing updates from and discussions with the OIG, the Ethics and Integrity Initiative, and the AEC's performance self-assessment. The Board Leadership welcomes the self-assessment process of the AEC and recommends the AEC to share the tools and the lessons learned with other Board committees for a similar exercise. Conducting self-assessments prior to external assessments can help to reduce the costs of governance assessments.

As you know the AEC and the Ethics Steering Committee recommended the Ethics Officer's TORs to the Board. The vote did not pass, however, so we will be in touch with all of you very soon to suggest 'next steps'. All of you are agreed that an ethics function is important, but there is clearly still some work to be done on the TORs.

02 Finance and Operational Performance Committee – from Soltan

We welcome a new Vice-Chair of the FOPC: Mr Michael Ruffner, Director of Financial Sustainability at the U.S Department of State's President's Emergency Plan for AIDS Relief (PEPFAR).

The next in-person meeting of the FOPC will take place from **22-23 July** in Geneva. The preliminary agenda items include: (i) an update on the NFM following the last TRP windows; (ii) an update on Q1-2 actuals vs. second forecast of the year, including OPEX, grant expenses and disbursements, as well as pledges and contributions. The committee will also receive an update on FX management and approaches to address other risks having an impact on Global Fund assets; (iii) an update on strategy and upcoming activities of the 5th Replenishment; (iv) an update on the E-marketplace and Market Shaping Strategy Development for input; (v) an update on the positive developments for construction of the Health Campus for information; and (vi) general update on several HR-related items for FOPC information.

The indicative agenda is due to be finalized shortly and will be available in BoardEffect. Background documentation will be shared and posted on the BoardEffect two weeks ahead of the meeting.

03 Strategy, Investment and Impact Committee – from David and Anita

We welcome the new member of the SIIC: Ms Sandra Elisabeth Roelofs.

The SIIC had its 15th meeting in Geneva from 16-17 June 2015, followed by a retreat. A brief summary note of discussions at the SIIC meeting has been circulated on 22 June 2015. A broad variety of topics was debated during the meeting, in relation to the upcoming strategy. Now, in preparation to the Board retreat at the end of July, we need to focus on the "what?" and "how?" and "where?" and "how much?" and to focus on some critical choices, in order to bring the wealth of ideas towards eventual implementation in 2017..

The second Partnership Forum was held in Bangkok from 24 to 25 June with over 120 participants. This was a very stimulating meeting with a lot of inputs from civil society, people living with the diseases, local communities, youth groups, members of parliament and others. The meeting started with a welcome by Dr. Suriya Wongkongkathep, Deputy Permanent Secretary at Thailand's Ministry of Public Health, and Global Fund Board Member for the South East Asia Constituency. Dr. Suriya spoke of the importance of sustainable transition as countries move to middle-income status, while acknowledging the challenges of making sure key populations, poor people, migrants and internally-displaced people are not left behind. Mark Dybul, who addressed the room by a pre-recorded video, said Thailand is an example of shared responsibility and country ownership and that the partnership could learn from its experience.

The last two days also saw a very strong push for the role of communities in the response to the three diseases. Whether it's support for people who have just found out they are HIV positive, or ensuring migrant workers are aware of the health services available to them, or countless other situations, community services are a lynchpin of our response. The forum heard a lot about the challenges faced by civil society when countries transition. We heard a consistent message: Governments may be able to take on the funding of medicines and mosquito nets, but there's deep anxiety about maintaining a voice for marginalized populations, such as sex

workers or asylum seekers. There was vibrant participation as well in the discussions around challenging operating environments. And in a region where the epidemics are becoming increasingly younger, it was very rewarding to see the active participation and advocacy of youth groups, demanding a bigger say in shaping our strategy. That message came out very clearly, along with the need for age and sex disaggregated data.

It was a very inclusive process, giving everybody involved a chance to voice ideas and concerns. As David Stevenson, Chair of the SIIC, said: We come back inspired, but we've got a lot of work to do.

As in the Partnership Forum in Addis Ababa in May, the true value of the meeting came out in the voices of those who brought their experience, their knowledge and their wisdom, and spoke openly about the challenges we face, and what needs to be done in the years ahead. A few excerpts and photos have been captured on the Global Fund [website](#).

The third (and last) Partnership Forum will be held on 3-4 September in Buenos Aires (Argentina) for LAC and EECA regions.

04 Transitional Governance Committee – from Viorel

The survey on the Enhanced Governance Structure has been circulated to the Board on 25 June and the TGC is looking forward to receiving your inputs and feedback, in order to continue the discussion. The survey runs until 9 July, and it is expected to have some preliminary aggregated results to share at the Board retreat at the end of July.

IV. Other

01 Board decision-making and institutional memory management tools

Following the Board's approval of the Governance Plan for Impact at the Thirty-Second Board Meeting in November 2014, the Office of Board Affairs has been working to implement improvements to Board institutional memory management tools, including improving documentation in support of informed decision-making and upgrading decision point tracking tools.

With effect from the Thirty-Third Board Meeting in March 2015, all documents presenting Board decisions now include a summary of relevant past decision points. This practice has been extended for committee documentation, with relevant past Board and committee decisions also included at the committee deliberation phase. The intention is to support strategic and effective decision-making, ensuring that decisions are taken in a fully-informed manner with full appreciation of institutional memory, consistently, and at all levels of the governance structure. Board and committee documentation templates have been adjusted accordingly, and guidance has been developed and shared with relevant Global Fund staff to ensure the inclusion of relevant institutional background in documents presented for Board or committee decision. In addition, we have encouraged the inclusion of increasingly precise resource implications in decision points and their supporting documentation, enabling the Board to better understand the resource implications of the decisions it is taking. We welcome feedback regarding the new documentation templates and usefulness of the information provided in support of Board and committee decision-making processes.

Work continues to implement improvements to the [database of Board decision points](#). A classification methodology has been developed and agreed upon, and updates are under way to review and classify past decisions. Further improvements to the online database will aim to clearly visualize, through appropriate hyperlinks, the legal and thematic linkages between past decisions. Further technical upgrades to the system are planned for September 2015. This work will take place in two phases, first concentrating on the period of 2011-2015 as a priority, and thereafter, on pre-2011 decisions. This work will be completed (the first phase) ahead of submission of an Annual Report on the Status of Board Decisions ahead of the Thirty-Fourth Board Meeting in November 2015. Manual tracking of deliverables under Board decisions continues, managed by the Office of Board Affairs.

02 New reference resources and tools on the Global Fund website

Following the update to the Board in the June newsletter on the new Access to Funding web pages, please find below a link to a new page which has been added: [incentive funding Web page](#).

03 OIG news update

Later this year, the OIG will launch an anti-corruption communications campaign called “Speak Up!” The campaign is designed to encourage people to speak up about corruption in the programs financed by the Global Fund and to help clarify what to report and when to the OIG. Every year, the OIG receives more complaints but not always information which it can act on. The objective of the campaign is therefore to improve the quality of intelligence received so that OIG investigators can intervene earlier to prevent or disrupt corruption before it compromises grant impact. Main audiences will include the Secretariat, grant implementers and the materials will be piloted with targeted communities in Ukraine, Côte d’Ivoire and a third country to be confirmed.

The campaign will also encourage people to report on human rights violations. This year to date, the OIG has received six human rights allegations. All allegations are carefully screened, following well-established processes, to ensure the right action is taken, i.e. are these allegations within the OIG’s scope? What resources need to be mobilized? As an extra safeguard, the OIG also asks the Humans Rights Advisory Group, a committee made up of representatives across different departments at the Secretariat, and others, to review any screening decisions taken. To develop the OIG’s skills in dealing with these complaints, the Investigations Unit and a selection of auditors have received specialist human rights training given by the HIV/AIDS Canadian Legal Network, who also provide the OIG with regular expert advice.

So far this year, the OIG has published nine reports: five investigations covering grants in Yemen, Kazakhstan, Nigeria, Tajikistan and Guinea and four audits on Internal Financial Controls, Procurement and Supply Chain Management and grants in Ethiopia and Sudan. All reports are available in full on the Global Fund website [at this link](#).

04 Privileges and Immunities Advisory Group

We welcome the new member of the Privileges and Immunities Advisory Group: Mr. Klaus Rudischhauser, Deputy Director General at DG for International Cooperation and Development of the European Commission. The group of four members is now complete and will start its work in early July.