

1 June 2015 - Update for the Board

I. Introduction

We are grateful for your positive feedback on this monthly newsletter. In our desire to further improve the work of the Board and its Committees, we will be thankful for your ideas on how to streamline and focus the workload. We are also keen to hear from you how to render the next Board meeting more interesting for you all and appealing for those whom we would like to attract to our great partnership in the future. How do we allow more time to discuss the three diseases and the new strategy, while disencumbering the Board meeting event from “housekeeping” matters? The housekeeping is really important but we can surely collectively find more creative ways to ensure it is handled more efficiently. And, as you will know only too well, with 50% of the Board Leadership coming from an auditor stable, housekeeping is near and dear to our hearts.

During the first Partnership Forum held in Addis Ababa on 7-8 May 2015, we heard a lot of new ideas and concepts for the upcoming Global Fund’s strategy, with a great emphasis on the strategic enablers for the fight against the three diseases. Participants focused heavily on human rights, gender, and community - and health systems strengthening-related matters. Alignment with other donors and partners in-country was also an important topic. The fact that the Partnership Forum was held back-to-back with the STOP TB Partnership consultations on the Global TB Strategy illustrates our desire to work together more closely for greater alignment and to avoid overlap thus ensuring that the global resources devoted to the three diseases are maximised.

In an effort to align workstreams within the Board, a Strategy and Governance retreat will be held on 29 July evening and 30 July in Geneva. The purpose of the retreat is to continue discussions on shaping up the new strategy and, in relation to the parameters of the new strategy, brainstorm about the best models of governance to ensure due oversight of the implementation of the new strategy.

II. Update from the Board Leadership

The Board Chair and Vice Chair have decided to share responsibility to oversee the Board’s performance regarding the six core functions as set forth in the By-laws. They will also jointly oversee the Board Leadership budget. While sharing responsibilities, the Board Chair and Vice-Chair will take the lead on their respective areas of focus, such as replenishment and legal matters for Norbert and implementer-related matters for Aida. In order to reduce the number of communications to the attention of the Board members, a specific letter about this decision will not be issued. The current June update is used, instead, to communicate this decision to the Board members.

Norbert and Aida will also jointly oversee the Board Leadership budget, and will place a particular emphasis on saving costs for Board-related events (i.e. more “zoom” meetings instead of face-to-face meetings, less print-outs and more electronic documentation).

III. Update from the Committees

01 Audit and Ethics Committee – from Graham and Claude

Under the oversight of the AEC, work is progressing on the Ethics and Integrity Initiative. Under the oversight of the AEC, work is progressing on the Ethics and Integrity Initiative. Following the [decision](#) at the Thirty-Third Board Meeting (31 March/1April 2015), the Terms of Reference (“TORs”) for the Ethics Officer were refined and revised, and circulated to Board Members for feedback on 18 May 2015. The TORs were accompanied by an Information Note, providing context to the TORs, and detailing the developments made to clarify the definition of the Ethics Officer’s role within the Global Fund’s existing structures, in response to discussion at the last Board Meeting. Board Members were invited to provide their feedback on the TORs in writing, and individual consultations were available upon request to provide additional clarification. The Ethics Officer TORs are now being reviewed in light of Board commentary, and will be recommended to the Board through the AEC for approval in June 2015.

The 12th AEC Meeting will take 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. In addition, the committee will participate in *ad hoc* conference calls relating to ethics matters as required in support of the work of the current Ethics Official, and other substantive matters as required.

02 Finance and Operational Performance Committee – from Soltan

After considerable efforts spanning the past several months, the Global Fund has been able to secure contracts with the following banks:

- UBS and BNP (since 1 April 2015), enabling cash management operations;
- Credit Suisse and Standard Chartered Bank (since 1 May 2015), enabling FX hedging operations.

What this means for The Global Fund:

With the contracts with UBS and BNP in place, the Global Fund will now be able to process direct disbursements in USD, EUR and local currency of the Principal Recipients. Moreover, funds will now reach Principal Recipients in 1 or 2 business days. This development completes the handover of cash management functions from the World Bank.

The contracts with Credit Suisse and Standard Chartered enable the Global Fund to hedge non-USD contributions helping to avoid currency exchange losses.

After a long delay, the permit for building “Health Campus” to host the Global Fund offices finally came into force in mid-May 2015. The Secretariat can thus go ahead and chose an investor who will finance the construction, own the building and rent it out to the Global Fund and other tenant organizations at pre-agreed terms. In the meanwhile, a number of “sister” organizations have manifested a strong interest to join the Health Campus and the Global Fund is having very positive ongoing discussions with them to assess their needs and the potential to welcome some of them in the building, subject to its capacity.

On 7 May, FOPC and SIIC focal points had a call on Market Dynamics Oversight discussing market shaping strategy timelines, procurement for impact P4i transformation project, supply chain strategy and the way forward, oversight on medicine quality area, E-Marketplace, viral load tender, and procurement operations dashboard.

Following the departure of Jason Lawrence to pastures new, we will soon be issuing a Decision Point to appoint a new Vice-Chair of the FOPC will be released shortly, therefore please be ready to cast your votes.

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

The election of Aida Kurtovic to the position of Vice-Chair of the Board created a vacant position on the Strategy, Investment and Impact Committee which will be filled shortly.

The SIIC will meet in Geneva for its 15th Meeting from **16-17 June 2015**. The development of the next Strategy over the next months is one of the SIIC’s highest priorities, together with reviewing the current Market

Shaping Strategy, Global Fund contributions to building resilient health systems, and discussions around the Allocation policy in advance of the next Allocation Period 2017-2019.

Following the June meeting, the Committee will hold a Retreat on 18 June to discuss the 2017-2021 Strategy in more detail, including the feedback from the Partnership Forums (see below for more details) and the on-line discussion forums which will run right through the summer months. These forums are key in ensuring an inclusive process and maximum contributions from as many groups and stakeholders as possible. The results of the deliberations at the SIIC retreat will provide background and input to the Board Retreat on Strategy scheduled for 30 July 2015.

The first Partnership Forum consultation of 2015, held from 7 - 8 May in Addis Ababa was a success with over 130 participants representing the wide variety of stakeholders that make up the Global Fund family, under the headline "leave no one behind". The Forum provided the opportunity for very rich discussions in English and French around eight themes relevant to the Global Fund's new strategy 2017-2021 currently under development. A strong emphasis was placed on the need to support regional and national efforts to strengthen health and community systems, the necessity for flexibility in addressing crisis situations as well as in defining transition. A call was made to build upon the Global Fund's commitment to human rights and more directly address gender inequalities.

There was a good representation of members of parliaments who expressed the need to be more sensitized about the three diseases and the Global Fund's activities in their countries. A mobilization effort to be continued.

The discussions around the Global Fund's new strategy will continue at the upcoming Partnership Forum being held in Bangkok in June, and in South America in September.

04 Transitional Governance Committee – from Viorel

Performance Assessment Framework: the TGC has developed a draft of the Performance Assessment Framework outlining a proposed process for the regular evaluation of the Board and its standing committees (including assessment levels, structure, methodology, frequency of the assessment, responsibilities, etc.). This framework will also provide for a regular evaluation of the Board and Committee Leadership. The objective of this framework is to provide the Board with the assurance that the Board and Committees are performing effectively to help the Global Fund achieve its strategic objectives and that any lessons learned can be identified and incorporated quickly. The framework was discussed the TGC's virtual meeting held via Zoom on 27 May 2015. The framework will be sent to the Board members for their review and approval with a target to have the final document approved by the end of June, allowing the TGC to engage in the development of the required tools so that the assessments of the Board and committees can take place in the late summer/early fall 2015.

Enhanced Governance Structure: Also discussed at the virtual call on 27 May 2015 was the next steps regarding the refinement of the Enhanced Governance Structure to be presented for Board approval in November 2015. A small survey is being developed which will provide the opportunity to Board members to provide their feedback on not only the proposed governance structure, but also some key principles that currently form the basis of the existing charters of the committees. Responses received to this survey will inform a series of individual and/or group consultations which will take place following the completion of the survey.

IV. Other

01 New reference resources and tools on the Global Fund website

An overview of the grants approved by the Global Fund Board under the allocation-based funding model is now available online. This sortable, searchable list is on the [funding decisions Web page](#) and will be updated weekly. The list serves as a central place to find concept notes and grant agreements following Board approval.

It links to downloadable copies of approved concept notes and corresponding grant agreements. The data behind the list will be available for download and analysis on the [data sets page](#) in June.

The progress of individual **concept notes** (including submission date, GAC1 date, GAC2 date and Board approval) is documented in a new status tracking spreadsheet. Visit the [registrations and submissions page](#) to download the document. This reference document will be updated monthly.

An overview of **incentive funding** awarded will be published online in the near future.

02 Equitable Access Initiative

To support the analytical work of the Equitable Access Initiative (EAI), the nine convening partners (Global Fund, GAVI, UNAIDS, UNICEF, UNDP, UNITAID, UNFPA, WHO and the World Bank) have launched a request for applications (RFA). Several proposals from analytical groups have been shortlisted by a Technical Evaluation committee to support the development of new health frameworks. The selected groups will commence their work in June, and present their conceptual approach, initial framework and model to the EAI Technical Working Group for consideration at the end of July. More information can be found at www.theglobalfund.org/en/equitableaccessinitiative/.

03 E-Marketplace

The Global Fund has been issuing and managing tenders on several health product categories (ARVs, ACTs, bednets) in order to achieve long term agreements with suppliers and manufacturers on health commodities. This strategy aims at offering more affordable high quality products to PRs while preserving a sustainable market supply with sufficient manufacturers, global and local. These RFPs have been designed to be open to all eligible suppliers, including local manufacturers. Many local suppliers have participated in the RFPs and several suppliers in Africa have been awarded long term agreement contracts by The Global Fund for products such as bednets, ACTs and ARVs. With the e-marketplace, the local suppliers will benefit from an automation and facilitation of the processing of the orders through these long term agreements. More importantly, they will have access to markets that they could not penetrate before thanks to the visibility that the e-marketplace will generate.

04 Implementer support

At the request of the Board leadership, the OIG will carry out an ex ante engagement on the assessment of the resources to support the implementers' constituencies of the Global Fund Board. The objective of this review is to assess whether the implementers' constituencies and its delegations to the Board have adequate resources to pursue their current mandate of representation and participation in Global Fund Board activities. The work will be carried out between May and July 2015.

05 Privileges and Immunities Advisory Group

We welcome the new members of the Privileges and Immunities Advisory Group: Mr Christian Dunant, Ambassador of Switzerland to the United Nations Office in Geneva, Professor Onyebuchi Chukwu, former Federal Minister of Health of Nigeria, Board Member representing West and Central Africa, and Dr. P. G. Mahipala, Director General of Health Services at the Ministry of Health and Indigenous Medicine of Sri Lanka, representing South-East Asia.