

1 August 2015 - Update for the Board

I. Introduction

In July, FOPC and Transitional Governance Committee (TGC) in person meetings took place, as well as a Board Retreat on strategy and governance at the end of the month.

Throughout these events the role of the Global Fund Partnership as a whole was reinforced and re-emphasized. We all are ambassadors of the Global Fund in our respective countries, regions and organizations. The real work for all of us starts when we get back home from such meetings. In the period leading up to the endorsement of the new strategy and preparation for the replenishment we have to activate our energy to use every opportunity and event as a potential advocacy platform for the cause pursued by the Global Fund.

II. Update from the Board Leadership

During the last two months, the Board Leadership reached out to all Board constituencies, either at the margins of in-person meetings, for example in the margins of the Stop TB/GF consultation in Istanbul, or via phone calls, to gather their views on strategy and governance matters. A summary of topics discussed and ideas for actions and solutions were shared with the Board Members ahead of the Retreat. The Board Leadership encourages all Board Members to continue coming forward with ideas and suggestions since many “how?” questions are yet to be answered.

The Board Retreat gave us a general sense of agreement on the draft strategic framework and the necessity to accommodate new donors in the Global Fund’s governance. Extensive discussions on the strategy brought all constituencies closer to a common understanding on “what?” needs to be achieved and on the main approaches on the “how?”, in particular with respect to differentiation and innovation. There was a shared sense of urgency to find solutions on how to best accommodate new donors, and how to better represent implementers, since the strategic objectives are rather ambitious and will require additional investments. We are aware that many countries are facing budget constraints, therefore we are not just looking for more resources but also doing our best to deliver our work more effectively with the existing ones.

III. Update from the Committees

01 Coordinating Group

During its regular telephone call on 14 July, the Coordinating Group decided to update its work-plan for the remainder of year and explore ways to improve its oversight of cross-cutting matters, including risk. The Board’s role in the oversight of Risk Management was outlined in the Ad hoc Working Group on Governance’s Governance Plan for Impact (GF/B32/08 – Revision 2). To facilitate this oversight role, it was agreed to allocate more time to risk management matters during the Coordinating Group and Board meetings, and to intensify the information flow about risk (e.g., Risk Management Report; Organizational Risk Register) to the Board.

Each committee will receive the risk register with 30 key risks as identified by the Secretariat, and will assess regularly whether these correspond to those identified in the work of each respective committee, or to suggest other risks to be monitored.

02 Audit and Ethics Committee – from Graham and Claude

AEC meeting's report has been circulated on 27 July, and is available on *BoardEffect*.

The Ethics Officer's TORs were unanimously approved by the Board so the preparations for the recruitment can start. We have taken good note of the constituencies' concerns about the costs of this function, and we will make sure that we find the most cost-effective solution, while not compromising on quality.

The AEC underwent a self-assessment, which was viewed as a successful exercise. The AEC and the Coordinating Group will be reflecting on the outcomes of the self-assessment soon, and working on issues arising. The Global Fund Governance Performance Assessment Framework is being developed by the TGC and will be informed by the process and tools used by the TGC.

03 Finance and Operational Performance Committee – from Soltan and Michael

The FOPC held its 15th meeting from 22-23 July in Geneva. The key issues discussed by the Committee touched on the implementation of the current funding model, the second quarterly 2015 forecast covering grant expenses and disbursements and pledges and contributions figures, an update on operating expenditures and asset and liability, foreign exchange management, potential insurance solutions to address Global Fund risks, activities for the Fifth Replenishment strategy, the e-marketplace initiative and new market shaping strategy under development, the health campus project, honorarium for certain governance roles, human resources, risk and assurance matters, and discussed matters relevant to its mandate with the Inspector General.

The FOPC approved the decision to open a local bank account in Viet Nam, as an exception, and use of an insurance to mitigate certain risks to such account, in order to secure the contribution from a High Net Worth Individual from that country. Two information calls have been offered to the Constituency Focal Points on 6 August during which the FOPC Leadership will share the key outcomes of the meeting. A report providing a full account of the FOPC discussions will be available to the Board in the next two weeks.

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

The Chair's summary notes on the SIIC meeting in mid-June were circulated on 10 July, and they are available on *BoardEffect*.

Discussions on the draft strategic framework during the Retreat allowed to bring all Board Members up to date on the strategy development, and to gather suggestions on what the role of the Global Fund should be in implementing the global strategies to defeat three diseases, as well as what could be the mechanisms for achieving this objective.

Preparations are on track for the Partnership Forum in Buenos Aires on 3-4 September 2015.

05 Transitional Governance Committee – from Viorel

A TGC in person meeting took place on 28 July, ahead of the Board Retreat. During the meeting, the committee approved the Global Fund Governance Performance Assessment Framework to be shared with the Board for approval in August 2015. The TGC received an update from the Office of the Inspector General on the status of the CCM Review, which is in its early stages, and provided feedback. The Office of Board Affairs gave their quarterly update on the progress made to help improve institutional memory management at the governance level. Key improvements included the inclusion of relevant past decision points into Board documents to help

ensure that Board Members have sufficient background to make informed decisions as well as continued progress on the online decision point database located:

[http://www.theglobalfund.org/en/board/decisions/public database of Board decisions](http://www.theglobalfund.org/en/board/decisions/public%20database%20of%20Board%20decisions).

In advance of the Board Retreat, the committee discussed the results of the Board's survey on the Enhanced Governance Structure and the note on Board Composition to be shared for feedback at the Retreat.

IV. Other

01 New reference resources and tools on the Global Fund website

The Access to Funding team has recently published an updated [Register of Unfunded Quality Demand page](#) on the Global Fund website.

02 OIG news update

This month the Office of the Inspector General (OIG) will be asking Board Members to take five minutes to answer a short online questionnaire about its reports. The OIG's objective is to continuously improve the way it reports its findings to ensure they have the greatest impact. Board focal points have been asked to coordinate the responses from each constituency and provide the answers by Monday 31 August. The OIG is grateful to them for their support in this survey, as well as in the other audit consultations that have been going on this month, and very much values frank feedback from the Board, its primary audience for reports.

Both the audit and investigations departments are on track with their work plans and two reports have been published this month. An [audit of grants in Kenya](#) rated the management of financial, health services and product risks as 'generally effective'. However, the OIG called for the Global Fund to develop a longer term strategy in Kenya to tackle the three diseases beyond 2016, including a more coordinated approach with other donors and health service providers in the country. An [audit of the Global Fund's methodology of fund allocation](#) concluded that the Global Fund was generally effective in ensuring that it invests strategically to end AIDS, tuberculosis and malaria. The OIG also noted, however, that there were areas for improvement, notably the Board's oversight of the way its committees and the Secretariat manage the risks inherent in the allocation methodology.

Both reports are available in full, as well as the other nine OIG reports published this year so far, [at this link](#).

03 Privileges and Immunities Advisory Group

Individual briefings have been provided to the four members of the PIAG by the Secretariat to be followed by a first telephone meeting in mid-August 2015. Two PIAG members met with the Board Leadership in-person in Geneva and discussed ways to accelerate the signature of PIAG agreements with the countries.