

Welcome from the Board Leadership

Dear Members of the Board

It is our pleasure to share with you our first Update to the Board since we assumed the leadership of the Global Fund Board. With comprehensive support from the Secretariat, we have successfully completed an onboarding for Board leadership in June 2017, a valuable tool designed to help us navigate our duties and responsibilities. The Chair was able to attend the Strategy Committee, and Ethics and Governance Committee as an observer and gave some feedback on the "onboarding experience". With clear division of lead responsibilities over the Board's core functions, we now jointly look forward to materializing our ambitious agenda and addressing the priorities ahead. We are determined to focus on action and implementation while upholding the trust we have been given.

We hope that you will find this piece helpful to stay informed about our work, to get a strong sense of the current issues discussed at the Coordinating Group and to reflect on the work progress of empowered Board Committees. We would like to take this opportunity to remind you that the closing date for the submission of applications for the Executive Director position is next Friday, July 21st. Many thanks to those of you who have already identified and/or encouraged qualified candidates to apply. Your input and response is greatly valued and appreciated. We are confident that with your proactive engagement, we will have an excellent pool of candidates.

We look forward to working with you on the exciting and challenging task of maximizing the impact of the Global Fund. And, as always, we look forward to receiving any feedback on this so we can adapt to what is most useful for you.

Yours

Aida and John

The latest from the Coordinating Group Virtual Room...

The Coordinating Group convened its first virtual meeting with the new Board Leadership in June 2017 and focused on variety of key topics prior to the Committee meetings, i.e. the proposed agendas, objectives and anticipated outcomes.

The Board Leadership informed the CG members on the identified lead responsibilities over the Board's core functions between the Chair and Vice-Chair. The Board Chair will lead on the Strategy Development, Governance Oversight, and the Assessment of Organizational Performance, including oversight to the current Interim Executive Director and the Inspector General. The Board Vice-Chair will oversee the Commitment of Financial Resources, Risk Management, and Partnership Engagement, Resource Mobilization and Advocacy, while also guiding on the ED selection process. This, of course, does not mean we will not be fully informed on the others' "areas" but it allows for some clear accountability.

The results of the overall committee self-assessments, presented to the CG members, demonstrated a clear level of satisfaction with the committees' ways of working and a positive trend on the quality level of the meetings. In line with the CG-mandated cross-cutting items, the CG members called for clarity and continuous discussion around the lead committees for some cross-cutting issues. The meeting concluded with deliberations on the upcoming Board Retreat in October.

Upcoming Meetings 2017

2 - 4 October - 5th EGC

3 - 5 October - 5th AFC

11 - 13 October - 5th SC

24 - 25 October
Board Retreat, Geneva

14 - 15 November
38th Board Meeting, Geneva

Audit and Finance Committee, AFC

- The 4th AFC Meeting will take place from 18-19 July in Geneva. The committee will receive an update on core financial data (e.g., year-to-date actuals and second forecast of the year for grant expenses and disbursements, pledges and contributions). The presentation on Asset and Liability Management for the 4th and 5th Replenishments will include a decision point to free-up resources available for portfolio optimization towards Unfunded Quality Demand components for the 2017-2019 period. Furthermore the Committee will have an initial exchange with the Secretariat and OIG on needs and process to develop the 2018 OPEX ahead of its final recommendation to the Board in November.
- About a third of the discussion time will be dedicated to risk-related matters, including early thinking about a framework to establish risk appetite, a progress update on operationalization of the Risk Management Framework and deep-dive on programmatic assurance. The agenda also includes a joint session between the OIG, Grant Management and Risk Team to explore synergies around the interaction of the different assurance functions and lines of defence, and perspectives on risk tolerance for operationalization and assessment purposes.
- The AFC will follow up on recent Board discussions and guidance related to advancing the Resource Mobilization Plan and providing further analysis on the different categories of private donors, as well as developing of a framework for co-investments. Lastly, the AFC will receive a progress update from the Inspector General covering the OIG 2017 budget, work-plan and key performance indicators, followed by a discussion on agreed management actions with focus on long-overdue ones.

Ethics and Governance Committee, EGC

- The 4th Ethics and Governance Committee took place at the Global Fund Secretariat in Geneva, Switzerland on 11-12 July 2017. The first day of the meeting included a Secretariat briefing on the cross-cutting topic of Country Coordinating Mechanisms. The committee discussed the timeline of the evolution roadmap next steps in the consultation process of the CCM Code of Ethical Conduct. Day one also included a briefing on the AFC's input into the Policy to Combat Fraud and Corruption, which is scheduled for EGC recommendation to the Board at its October meeting. The Committee also discussed improvements to Governance processes and agreed to take forward a draft Governance Action Plan developed by the Office of Board Affairs, which consolidates findings from the 2016 OIG Governance Review and assessments undertaken by Egon Zehnder.
- The second day of the meeting focused primarily on three items: 1) Board Size and Composition, including the Donor Group proposal to accommodate new donors on the Global Fund Board; 2) lessons learned from the Board Leadership Selection Process, and 3) the 2018-2020 Committee Leadership Selection Process, which is set to be launched in mid-August. During one of the Committee's executive sessions, Ambassador Michele Bocoz and Professor Vinand Nantulya, the Chair and the Vice-chair of the Executive Director Nomination Committee, had the opportunity to update the Committee on the Executive Director selection process, specifically detailing the proposed scope of due diligence review of candidates and the Constituency engagement phase.

Strategy Committee, SC

- The fourth meeting of the Strategy Committee (SC) took place from 21-23 June 2017 at the Global Fund Secretariat in Geneva. The SC members welcomed the newly appointed Chair of the Board, Ms Aida Kurtovic, and the Interim General Counsel, Rutger de Witt Wijnen. The Secretariat presented a deep-dive on resilient and sustainable systems for health (RSSH) that focused on six of the seven RSSH sub-objectives of Strategic Objective 2 (SO2). The seventh sub-objective on procurement and supply chain management was discussed in a separate session.
- The Strategy Committee reiterated its support for RSSH, including for community systems, and emphasized that this support continues to be crucial. The second deep-dive was an update on operationalization of the Global Fund's Market Shaping Strategy approved in 2015 and the Pooled Procurement Mechanism (PPM). The Secretariat sought input from the Committee on ongoing market shaping efforts. The committee also continued the initial discussion around eligibility which began at the last SC Meeting in March 2017, and discussion about CCM matters and Prospective Country Evaluations with TERG.
- The SC members expressed heartfelt appreciation to Ms Lucie Blok (TRP Chair) and Amb. Lennarth Hjelmåker (Point Seven) for their active participation and contribution to the Committee's work as they were attending the Strategy Committee for the last time.

BEST WISHES FOR HAPPY AND SAFE
SUMMER VACATION!