

Welcome from the Board Leadership

Dear Board Colleagues,

This year is starting off very busy and we want to thank you for all your continued contributions of time and talent to the Global Fund. With the Committee leadership set, the nominations process is underway for new Committee members and likely consuming your energies. Again, we want to encourage each constituency to put forward several talented candidates to be sure our committees are diverse and balanced, so they can continue to deliver for the Board and further improve the work we do.

As you may have seen, The Global Fund had a strong presence in Davos for the World Economic Forum. John and our incoming Executive Director (ED), Peter Sands, participated in several events and numerous more meetings. The session we hosted on innovative financing was very well attended, as was the launch of the new Lombard Odier partnership and the HER initiative.

Speaking of the new ED, the on boarding process is well underway and Peter has visited Geneva twice and has met with some of the donors and constituencies as time allows before he takes the seat the first week of March. He joined the CG meeting this week and plans to participate in the March Committee meetings to the extent possible, so he can hit the ground running.

And the work continues as the Secretariat and Committees will be forwarding five or more Electronic Decision Points and approximately five GAC funding decisions as well as other materials for Board decision or input prior to the Board meeting. We are working with the Secretariat to stagger these and be sure the documents are succinct. However, each of these represents important actions and are the result of hard work by committees which are about to turn over as well as the Secretariat. Calls will be scheduled for some EDPs to be sure you are sufficiently informed before voting, but don't hesitate to reach out if you have questions during the reviews.

And we should note that the staff are dealing with a bit of disruption and change with the move to the new campus and preparing for the arrival of the new ED. If you have requests or questions with the Secretariat, keep this in mind. We look forward to seeing those Board members that may be in Geneva for the Committee meetings and for the remainder we look forward to seeing in Skopje for the May Board Meeting.

Best Regards,
Aida and John

The latest from the Coordinating Group Virtual Room...

The Coordinating Group (CG) convened its regular virtual meeting on 14 February and focused on a variety of key topics in preparations for the March Committee meetings and in the context of the 39th Board Meeting on 9-10 May 2018 in Skopje.

The CG had the opportunity to speak with the incoming Executive Director, Peter Sands, and received key highlights from the ongoing induction phase. The CG members discussed the indicative agenda of the 39th Board Meeting, ensuring that all items requiring strategic input or decision by the Board are included. As with the last Board meeting, the CG agreed the agenda will focus on key decisions, of which we have many, and the upcoming program of work for each committee, with substantive information sessions to be held on the pre-day.

In order to align on individual and overall Committee expectations, the Secretariat provided the CG with an update on progress and sought input on some of the key items for Board's decision, i.e. the CCM Evolution Project (CCM Code of Conduct, CCM Guidelines and CCM Funding) and Risk Appetite Framework. The CG agreed to continue discussions on management of cross-cutting matters at the upcoming Coordinating Group Retreat on 19 March 2018 in Geneva.

Upcoming Meetings**2018**

6th EGC - 13-15 March
6th SC - 20-22 March
6th AFC - 27-29 March
Starling Hotel, Geneva

39th Board Meeting -
9-10 May 2018, Skopje

Audit and Finance Committee, AFC

- The 6th meeting of the Audit and Finance Committee (AFC) will be held on 27-29 March in Geneva. The Committee agenda includes a number of important decisions related to 2017 Financial Statements, Country Coordinating Mechanisms Budgetary Options, the Risk Appetite Framework, and Key Performance Indicators. In addition, the Committee will review the OIG and risk management annual opinions to the Board and receive regular updates from the Secretariat on financial performance, grant management, corporate and administrative policies. The current Committee leadership two-year term for 2016-2018 will come to an end with the upcoming meeting in March. A new leadership has been selected for the 2018-2020 term as part of the Committee leadership selection process, and was approved by the Board in January 2018. The newly appointed AFC leadership will be carried out by Beatrijs Stickers Muller as Committee Chair (current Vice-Chair) and Anthony Garnett as Committee Vice-Chair (current AFC member). The call for nominations for candidates for the roles of members of the standing committees for the 2018-2020 term was also launched in January. The Board constituencies have the opportunity to submit their nominations until 26 February. The new Committee leadership and members will have their first meeting in July 2018.

Ethics and Governance Committee, EGC

- During the intersessional period, the Ethics and Governance Committee's work has focused on the following areas. The EGC supported the Board Chair and Vice-Chair to prepare for the process to select committee members for the 2018-2020 term, reviewing lessons learned from the 2016 process, and proposing process enhancements, within the provisions of the Operating Procedures. Following receipt of constituency nominations, due 26 February, the EGC will conduct its initial review of all candidates in order to submit its assessment to the Board Leadership in mid-March. In addition, the EGC has provided the Board with the opportunity to give feedback on two main work streams: (1) CCM Evolution which is now at the stage of evolving the CCM model to better deliver on the Global Fund Strategy 2017-2022 and has entered its critical phase of developing options for improved and differentiated CCM models; (2) On strengthening the Board Leadership selection process two options have been presented to the Board for initial consultation Option A – Combined Selection Process and Option B - Unified Selection Process. Based on the input received from the Board, it is anticipated that the EGC will define a single option at its meeting in March, which the EGC will then recommend to the Board for adoption at the Board Meeting in May 2018 following a second round of consultations.
- In the context of the EGC's role in advising on governance-related policy, on February 22nd, the Board will receive the EGC's recommendation to adopt an Honorarium Framework. The EGC has taken forward the work of the former FOPC, and has finalized a proposal which codifies existing eligibility arrangements with respect to honoraria for governance officials. The EGC reviewed the options to address the vacancy of the EGC chair role and recommended to the board leadership an informal solution until the new committee leadership takes over in May, namely through informal representation of the Chair position by the Implementer Group, drawn as needed from the current EGC membership, who retain their voting rights. In addition, the incoming Vice-Chair originating from the implementer group, like all incoming committee leaders, will be joining committee meetings as of now. As part of its oversight of the ethics function, the EGC reviewed with the Ethics Officer the progress and implications of ongoing investigations, other confidential ethics cases, and the secretariat approach to partnerships with the private sector. The EGC will provide updates on these issues at the May board meeting.

Strategy Committee, SC

- Follow-up to the 5th Strategy Committee Meeting: following the SC meeting in October 2017, a Committee Working Group on Countries in Crisis was set up, and held its first conference call in December 2017. Membership is the SC Leadership, East and Southern Africa, Partners, Developing Country NGOs and Germany. In early 2018, WHO and World Bank were asked to provide additional input on countries experiencing humanitarian/health or economic crises, which are ineligible for Global Fund support. The Working Group discussions will continue through spring 2018 with a view to updating the Board in May 2018, and potentially also presenting a framework for Board approval, to guide the Global Fund's approach.
- 6th Committee Meeting, March 2018: Committee discussions on potential revisions to the Eligibility Policy have also continued, with two calls held in mid-December and end January 2018. Calls will also be held prior to the March meeting. The Committee is expected to recommend changes to the current eligibility policy to the Board for approval in May 2018. Risk Appetite – the SC will have calls prior to an in-person discussion at the March meeting, and a joint recommendation to the Board from the three Committees. Following the March SC meeting a series of consultations will be scheduled for all Board constituencies on risk appetite, prior to the Board. Other areas to be covered at the March meeting include a Strategy Implementation update, KPI performance reporting, CCM evolution, an update on Innovative Financing, and a Deep Dive on HIV Prevention, as well as the standard update on Country Funding and reports from the TRP and the TERG.
- Committee Membership: In December 2017, Dr Jim Tulloch was exceptionally extended as TERG Chair, and will thus remain on the Committee until May 2019. This will allow the Committee to continue to benefit from Dr Tulloch's experience and expertise, both in relation to the ongoing Prospective Country Evaluations ("PCEs"), and the implementation of TERG Thematic Reviews during 2018, as well as his guidance to the ongoing process of replenishment of TERG membership. There is one vacancy currently for France, following the departure of Michele Boccoz to WHO.
- Committee Leadership: The incoming SC leadership will also be present at the March meeting to facilitate the leadership handover. Kieran Daly (incoming Chair) is already a member of the SC, while Abdalla Osman (incoming Vice-Chair, and previous SIIC member) will receive an invitation.