

Annual Board Leadership Report to the Board 2018

September 2018

Dear Board Colleagues,

It has been a year of continued progress for the Global Fund and our fight against the three diseases. We have brought on-board strong new leadership, continued to refine our governance, and expanded our abilities to be effective toward our goals and as a result, we believe, The Global Fund is stronger and working more effectively.

When we assumed leadership of the Board, we had one critical initial task for the year, ensuring the selection of the highest caliber Executive Director. With a refined selection process, the Board identified and interviewed several very strong candidates and then discussed further with each his or her goals for the Global Fund. As expected, there were divergent views among the Board regarding what skills and experiences were needed by the organization at this time. Working together the Board was able to select with a clear, unified voice a candidate from among the strong slate. With Peter Sands now at the helm of The Global Fund, we are confident that the Secretariat has the leadership needed to accelerate its progress. While of primary importance, of course this was not the only accomplishment of the Board. Working with each of you, we continued to strive to maximize the impact of every dollar entrusted to the Fund.

When we took office, we sent a letter outlining six key priorities. One of these was *reforming our governance structures*. Several decisions including approval of the Policy to Combat Fraud and Corruption and the CCM Code of Conduct among others strengthened program implementation. With the approval of the revisions to the Board Leadership selection process and the long-standing effort to create the additional, non-voting public donor seat, the establishment of that new constituency, and the discussions regarding the integration of its members into the Donor Group, the Board has similarly improved Board-level governance. With the approval of the CCM evolution, the Global Fund has strengthened the oversight of its grants in-country. And with every action, the Global Fund continues to remain diligent that our work will *foster human rights and support for the most vulnerable*. We are planning a special session during the pre-day of our next Board Meeting to focus on progress in this area.

This decision on the non-voting public donor seat also supports another of the priorities we set, *broadening our funding base*. The new donor seat provides greater engagement for some of our existing donors while creating avenues to attract new donors to participate in the Global Fund governance processes. We will continue to focus on this area in the run-up to the 2019 Replenishment, working with the Secretariat to unlock additional public and private sources of funds.

This leads to a third priority, *leveraging private as well as public funds through innovative financing mechanisms*. To further this priority, the Board Committees are working to update our partnership guidance to take better advantage of the opportunities for public private partnerships in a manner that ensures we continue to set the highest standards for those with whom we work. They are also overseeing the development of a structured approach for the Global Fund to engage in innovative finance.

We also set out to strengthen *sustainability, transition, and co-financing* to expand our impact in high burden countries and continue progress against the diseases in countries where the Global Fund has transitions. To this end, the Board held our last Board Meeting in one of the more successful transitioning countries, where the host government brought together

representatives from the region to encourage others to follow their example. We have explicitly asked each of the Board Committees to explore, through their mandates, how we can continue to improve in this area particularly, with an eye on both the upcoming replenishment and allocation.

Throughout the past year, we have worked to *enhance the communication and trust between and among our various committees, constituencies, stakeholders, and partners*. We participated in the meetings of both the Implementer and Donor Groups and have held regular calls with them in between meetings to discuss interests. We have maintained a quarterly update to the Board on our work. We also participated in the regional meetings of several of the constituencies building connections and furthering critical dialogue. And in between these major activities, we met with Board Members, convened regular and ad hoc virtual meetings, and engaged with constituencies to enhance consensus, accelerate decision-making, and address concerns as they arose.

Working closely with OBA, we continue to reduce the size and quantity, and increase the timeliness and quality, of Board documents improving the efficiency of our governance for all involved. Throughout the year we worked with our committee leadership to develop refined decision points for Board consideration that are in-tune with Board concerns and that have the highest likelihood of succeeding.

The implementation of these priorities reinforces the six core functions of our Board - Strategy Development, Governance Oversight, the Assessment of Organizational Performance, Commitment of Financial Resources, Risk Management, and Partnership Engagement, Resource Mobilization and Advocacy. In total, the Board passed 46 decisions. Of these, 32 reflected the Board's key responsibilities around its six core functions and 14 were allocation related (funding recommendations). And of the 46 decisions, 24 were made by Electronic Decision Point for greater efficiency. See attached table of Board Decision points in Annex 3.

Throughout the year, Board Leadership represented The Global Fund at numerous international events to further our goals and promote our accomplishments. Whether at the UN General Assembly or the World Economic Forum, Board Leadership was engaged in the some of the most critical forums (see attached list of major activities).

With the continued engagement of our strong Board and new Executive Director, we look forward to even greater success going forward. Thank you for all that you contribute to ensuring The Global Fund continues to lead the world to end the suffering caused by AIDS, TB, and Malaria.

Sincerely,



Mrs. Aida Kurtovic
Chair of the Board



Amb. John Simon
Vice-Chair of the Board

Annexes

The following items can be found in Annex:

- **Annex 1: Table of Major Activities of Board Leadership**
- **Annex 2: Board Leadership Letter to the Board, June 2017**
- **Annex 3: List of Board Decisions June 2017 to May 2018**

Annex 1 – Major Activities of Board Leadership

May 2017	TGF Board meeting - Kigali
July 2017	Chair and Vice Chair participate in Committee Meetings, receive briefings from Secretariat, meet with GAVI Board Chair - Geneva.
August 2017	Chair participates in EECA Constituency meeting - Kishinev
September 2017	Chair and Vice Chair represent TGF in meetings at United Nations General Assembly - New York Vice Chair participates in Implementers Group retreat - Bucharest
October 2017	Chair participates in Board Leadership seminar - Seattle TGF Board Retreat - Montreux Chair and Vice Chair participate in Committee Meetings and Coordinating Group Retreat – Geneva Chair participates in SEA constituency meeting - Bangkok
November 2017	TGF Board Meeting - Geneva
December 2017	Vice Chair meets with African Development Bank Officials, participates in International Conference on AIDS and STIs in Africa (ICASA) – Abidjan Chair participates in EMRO constituency meeting – Tehran Vice Chair hosts incoming Executive Director - Washington
January 2018	Vice Chair represents TGF at World Economic Forum - Davos
March 2018	Chair and Vice Chair participate in Committee meetings - Geneva
April 2018	Vice Chair hosts Executive Director, participates in World Bank and US Treasury events - Washington
May 2018	TGF Board Meeting - Skopje

Additional Standing Meetings/Calls of Board Leadership:

- Monthly meeting with Executive Director
- Bimonthly CG meetings
- Quarterly meeting with staff council
- Quarterly meeting with IG
- Quarterly meeting with Ethics Officer
- Quarterly meeting with Donor Group

Annex 2 – Board Leadership Letter to the Board, June 2017

Our Ref: AK/JS/OBA

Geneva, 16 June 2017

Dear Members of the Global Fund Board,

As we assume leadership of the Board of the Global Fund to Fight AIDS, Tuberculosis, and Malaria, we are both honored and humbled. Honored to have a leadership role at one of the premier Global Health organizations in the world; humbled by the challenge we face with you to eliminate, as quickly as possible, the burden of suffering these three diseases impose on the world's most vulnerable people.

We stand on the shoulders of our predecessors, whose efforts have resulted in dramatic progress over the past fifteen years. During this period the number of adults and children newly infected with HIV declined by 35%, TB prevalence has fallen by 42%, and global Malaria deaths declined by 48%. Overall, 20 million lives have been saved and each of these diseases is at a tipping point where elimination is within sight.

Despite this progress, now is no time for complacency. While in retreat, AIDS, Tuberculosis, and Malaria still exact a punishing toll. The health systems needed for sustained progress continue to require significant support. As Mark pointed out in Kigali, HIV rates are increasing among young women, TB multi-drug resistance continues to grow, as does the resistance of the Anopheles mosquito in places like the Mekong Delta. Each of these diseases remains a wily opponent, changing to evade the latest preventive measures. We need to continue to change as well if we are to maintain and accelerate the success we have had.

In that regard, we need to focus on key priorities to maximize the impact of every dollar. This includes not only ensuring the Global Fund's grants are as effective as possible today, but continuing to implement the Sustainability, Transition and Cofinancing policy so that their impact continues. It means broadening our funding base, leveraging private as well as public funds through innovative financing mechanisms that produce multiple times the effect on the ground for every dollar the Global Fund expends. It requires reforming our Governance structures and striving to enhance the communication and trust between and among our various committees, constituencies, stakeholders, and partners. All of this must be done while continuing to foster human rights and support for the most vulnerable.

If we are successful in these efforts, we will lay a strong foundation for the 2019 Replenishment – particularly challenging as we will be seeking a new round of funding at the same time as many of our partners. To a large extent, our success over the next two years will be measured by the support we receive in 2019.

From a practical perspective, we need to focus on implementing the six core functions encapsulated in our by-laws, dividing lead responsibility for each among us. Aida will lead the Strategy Development, Governance Oversight, and the Assessment of Organizational Performance, including providing guidance, thought partnership and oversight to the current Interim Executive Director and the Inspector General. John will take the lead the

Commitment of Financial Resources, Risk Management, and Partnership Engagement, Resource Mobilization and Advocacy.

Our most important immediate task is the selection of a new Executive Director. John will be the point person for Board Leadership on this process, though it is a shared responsibility of us all to make sure the process goes smoothly and that we hire the best possible candidate. We owe nothing less to the millions around the world who rely on us to beat back the scourge of AIDS, Tuberculosis, and Malaria.

We will need the full engagement of every member of the Board in order to meet the challenges set in front of us. In the coming months, we will be engaging with you on a range of issues and to get your views on how we can best work together to address the priorities we've identified.

Together, we will accelerate our impact, saving lives and strengthening global health for decades to come.

Yours sincerely,



*Mrs. Aida Kurtovic
Chair of the Board*



*Amb. John Simon
Vice-Chair of the Board*

Annex 3 – List of Board Decisions, June 2017 to May 2018

Core Board Functions

1. Strategy Development (4 Decision Points)
2. Governance Oversight (19 Decision Points)
3. Assessment of Organizational Performance (4 Decision Points)
4. Commitment of Financial Resources (16 Decision Points)
5. Risk Management (1 Decision Point)
6. Partnership Engagement, Resource Mobilization and Advocacy (1 Decision Point)

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Date	Number	Primary Function	Title
2018-05-10	GF/B39/DP12	2	<u>Strengthening the Board Leadership Selection Process</u>
2018-05-10	GF/B39/DP11	5	<u>Approval of Risk Appetite Framework</u>
2018-05-10	GF/B39/DP10	1	<u>CCM Evolution: Funding for Near-Term Implementation</u>
2018-05-10	GF/B39/DP09	2	<u>CCM Evolution: Code of Conduct for CCMs and CCM Policy</u>
2018-05-10	GF/B39/DP08	4	<u>2017 Statutory Financial Statements</u>
2018-05-10	GF/B39/DP07	4	<u>2017 Annual Financial Report</u>
2018-05-09	GF/B39/DP06	2	<u>Strengthening the Processes for Selection of Committee Leadership and Committee Members</u>
2018-05-09	GF/B39/DP05	2	<u>Appointment of the Members of the Standing Committees of the Board</u>
2018-05-09	GF/B39/DP04	1	<u>Potential Engagement with Non-eligible Countries in Crisis</u>
2018-05-09	GF/B39/DP03	1	<u>Approval of the Revised Eligibility Policy</u>
2018-05-09	GF/B39/DP02	2	<u>Approval of Agenda</u>
2018-05-09	GF/B39/DP01	2	<u>Appointment of the Rapporteur</u>
2018-04-26	GF/B38/EDP18	3	<u>Key Performance Indicator 12b: Availability of affordable health technologies: Affordability</u>
2018-04-11	GF/B38/EDP17	4	<u>Decision on the Secretariat's Recommendation on Additional Funding</u>
2018-04-11	GF/B38/EDP16	4	<u>Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation</u>
2018-03-23	GF/B38/EDP15	4	<u>Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation</u>
2018-03-18	GF/B38/EDP14	2	<u>Appointment of a new member to the Global Fund Strategy Committee</u>
2018-03-08	GF/B38/EDP13	2	<u>Approval of the Global Fund Honorarium Framework</u>

2018-02-23	GF/B38/EDP12	4	<u>Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation</u>
2018-02-16	GF/B38/EDP11	2	<u>Location of the 39th Board Meeting</u>
2018-01-23	GF/B38/EDP10	2	<u>Appointment of the Chairs and Vice-Chairs of the Standing Committees of the Board</u>
2018-01-12	GF/B38/EDP09	4	<u>Decision on the Secretariat's Recommendation on Grant Extensions</u>
	GF/B38/EDP08	4	<u>Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation</u>
2018-01-12	GF/B38/EDP07	2	<u>Report of the 38th Board Meeting</u>
2017-12-15	GF/B38/EDP06	3	<u>Approval of Guideline for Annual Performance Assessment of Board Direct Reports</u>
2017-12-13	GF/B38/EDP05	4	<u>Decision on the Secretariat's Recommendation on Grant Extensions</u>
2017-12-13	GF/B38/EDP04	4	<u>Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation</u>
2017-12-01	GF/B38/EDP03	4	<u>Decision on the Secretariat's Recommendation on Grant Extensions</u>
2017-12-01	GF/B38/EDP02	4	<u>Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation</u>
2017-11-30	GF/B38/EDP01	1	<u>Principles of the LFA Procurement Method</u>
2017-11-17	GF/B37/EDP07	4	<u>Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation</u>
2017-11-15	GF/B38/DP09	2	<u>Approval of Policy to Combat Fraud and Corruption</u>
2017-11-15	GF/B38/DP08	3	<u>Targets for Key Performance Indicators 3, 6a, 6b, 6e and 12b</u>
2017-11-15	GF/B38/DP07	6	<u>Resource Mobilization Action Plan 2018-2019</u>
2017-11-14	GF/B38/DP06	3	<u>2018 Corporate Work Plan and Budget Narrative and the 2018 Operating Expenses Budget</u>
2017-11-14	GF/B38/DP05	2	<u>Integration of Additional Public Donors into the Global Fund Governance Structure and Amendment of the Global Fund Bylaws</u>
2017-11-14	GF/B38/DP04	2	<u>Recognition of Dr. Marijke Wijnroks</u>
2017-11-14	GF/B38/DP03	2	<u>Appointment of the Executive Director</u>
2017-11-14	GF/B38/DP02	2	<u>Approval of Agenda</u>
2017-11-14	GF/B38/DP01	2	<u>Appointment of the Rapporteur</u>
2017-10-13	GF/B37/EDP06	4	<u>Decision on the Secretariat's Recommendation on Grant Extensions</u>
2017-10-13	GF/B37/EDP05	4	<u>Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation Period</u>
2017-10-06	GF/B37/EDP04	2	<u>Selection of the Global Fund Executive Director: Contingency Voting Procedures</u>
2017-09-18	GF/B37/EDP03	2	<u>Appointment of Members to the Audit and Finance Committee and the Strategy Committee</u>

2017-09-08	GF/B37/EDP02	4	<u>Decision on the Secretariat's Recommendation on Reinvestment of Funding from the 2014-2016 Allocation to Burkina Faso Across Country Disease Components</u>
2017-08-14	GF/B37/EDP01	2	<u>Approval of the Report of the 37th Board Meeting in Kigali, Rwanda</u>