

Board Leadership Annual Report to the Board 2021

June 2021

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Dear Board Colleagues,

It is an understatement to say that Covid-19 pandemic has been devastating, especially in the countries where the Global Fund works. The IMF has called Covid-19 a “crisis like no other”; an economic and social disruption on a scale not seen in living memory. In May, the Economist estimated that 10 million people had died as a result of the pandemic, mostly in low- and middle-income countries. Furthermore, Global Fund analysis shows that Covid-19 is having a catastrophic impact on the most vulnerable communities around the world and threatens progress against HIV, TB and malaria.

Over the last year, in weathering this storm, we have witnessed the resilience and resolve of the Global Fund partnership. Together, we have focused on continuing the core mission, uniting to fight Covid, and planning for the next Strategy. As Board Leadership, we deeply value your contributions and take this opportunity to thank you. We are grateful to the Executive Director for his leadership; and acknowledge and support the exceptional work of the Secretariat, OIG, Board Committees, TERG, TRP and partners in this challenging time.

Uniting to fight Covid

The Covid crisis has become the lens through which we have had to reassess and reorganise plans, priorities and day-to-day work. We are grateful for the strong support from the Board for extending C19RM and to provide live-saving PPE, testing, community support, and to mitigate the impact of Covid on lifesaving HIV, TB and Malaria programs. We are grateful to donors for mobilising additional resources for the Global Fund and ACT-A. And we are grateful to everyone who has worked to deploy \$1.1 billion to 119 countries and multicountry programs (as of 20 May 2021). We look forward to continued updates from the Executive Director and the Secretariat on further resource mobilisation, progress on ACT-A, and the impact of C19RM.

Commitment of funds

As well as approving the extensions to C19RM, the Board approved a raft of recommendations from the Secretariat for grant extensions and some \$10.1 billion in allocations for the 2020-2022 grant cycle across 181 grants; these are summarised in Annex 3 of this report. These approvals were the culmination of considerable work by CCMs, health ministries, Principal Recipients, TRP, the Secretariat and partners, to prepare quality proposals, review them and to design grant agreements. We are grateful to everyone who helped make this happen and look forward to the reporting on absorption, service delivery and results.

Alongside programmatic spending, the Board has approved an increase in the operating expense cap for the 2020-2022 period to \$930 million. We look forward to considering a fleshed-out plan for proposed spending as part of annual budget and workplan approval in November, as well as reporting on both core and C19RM operating expenses.

Governance

Governance is the glue that binds the Global Fund together. We are conscious that if governance falters, our mission falters. We are grateful for the Board’s support for our governance stewardship, including by extending our terms for a further year.

As we navigate various Covid-related disruptions, our focus has been on governance continuity, maintaining high standards, and continuing to learn and improve.

In terms of continuity, we have continued to adapt to virtual ways of working, and this is reflected in the range of shorter, more frequent and varied online interactions with the partners, Board, committees and the Secretariat (see Annex 1). New CG members and committees were “onboarded” in July 2020. They immediately prioritised workstreams to support the Board (see CG reports, linked below.) The Board appointed Tracy Staines as the new Inspector General and renewed Peter Sands’ term as Executive Director, and we welcomed senior Secretariat appointments (including Adda Faye as CFO, Kalipso Chalkidou as Head of Health Financing, and Hui C. Yan as Head of Supply Operations.)

In terms of high standards, we are grateful for the work of the EGC and Ethics Officer on developing codes of conduct and the training to support these. When standards slip though, the people we serve can suffer. We were deeply disturbed by the findings of the OIG investigation into misconduct affecting Global Fund grants in Ghana. We welcomed the publication of the report and the lessons it brought. To be clear: The Global Fund has zero tolerance for sexual exploitation and abuse – and for coercive, collusive, or corrupt behaviour of any kind. We all have a role: to be vigilant, to report wrongdoing and to set high standards.

In terms of learning and improving, the 2020 Governance Performance Assessment was timely. It gave us the opportunity to reflect collectively on our governance. Do we have the right structures and processes to suit the time, and to guide and support delivery of our mission? Are we focusing our resources and capacity in the most optimal manner, whilst ensuring robust oversight? These are among the overarching questions we need to keep in mind, alongside planning for the new strategy and continuing to improve governance culture.

As we look ahead, the Global Fund’s governance and success will depend on all of us; to openly share our thoughts, to listen to the input of others, to engage with both the findings and the way forward, and to be open-minded as we consider future change in the best interests of our mission.

Strategy

The Global Fund’s Strategy Development has never been more important. How should the Global Fund adapt to the changing challenges and landscape? What do we need to do: to be bolder; to increase impact; and to end the three diseases?

Over the last year, the Board, the Secretariat, and partners of the Global Fund have been grappling with these questions. We are grateful for all of the inputs, as well as the leadership and guidance of the Strategy Committee and the technical work of the Secretariat.

Despite the challenges of moving consultations online, discussions have been inclusive, energetic and substantive. Last year, approximately 250 individuals and groups contributed inputs into an Open Consultation. In February and March this year, around 350 participants from across the Global Fund partnership joined three regional Partnership Forums. And throughout, we have had Board-level meetings to hear inputs and ideas from all constituencies.

As a Board, we ought to be proud of the progress that has been made in building consensus and developing the new Strategy. We look forward to the upcoming Board consideration of the Strategy Framework in July and finalising the Strategy by the end of the year.

Learning

Alongside a new Strategy there is significant opportunity to build a more robust monitoring and evaluation (M&E) framework and to improve learning, not as ends in themselves, but as means to measure and advance the new Strategy and the Global Fund's mission.

As we outlined in our letter to the Board in July 2019, the overarching performance question we must consistently focus on is at four levels:

1. How is the global effort performing?
2. How are the countries we are supporting doing?
3. What is the Global Fund contribution to that effort?
4. What is it that we can do better or differently, with implementing countries, with partners, to maximise impact?

There is a wealth of research on our performance (the Results Report, SR2020, thematic reviews and PCEs, audits and investigations, and of course the Strategic Performance Reports.) But, as organization and as a governance body, are we digesting these, discussing the key lessons, and feeding them back into decision-making?

In terms of learning, as an organization, we still feel that there needs to be more open and honest discussions of performance, as well as precise, actionable answers to the performance questions. Above all, we need to translate lessons (including from evaluations, audits and investigations) into better ways of working. We see this "learning" process as partly about structures, but more about leadership (at all levels), a culture of openness and change (acknowledging when things have gone wrong and fixing them) and holding ourselves and each other accountable for doing better.

In terms of independent evaluation, there is strong agreement that the Global Fund needs a strong, independent evaluation function. How do we ensure that evaluation is objective, free from undue influence and has full authority to submit reports directly to decision-making bodies? The Board has started to discuss options and will look forward to consideration and discussion of the model and funding options later this year.

In terms of monitoring, the Board has provided guidance to the Secretariat on the broad principles to set better KPIs for the new Strategy. We look forward to the Strategy Committee and M&E Working Group discussing the technical work of the Secretariat. Beyond the setting of KPIs, there is a need to think about how we track these and discuss performance at a governance level, so that there is a feedback loop into decision making.

Concluding thoughts

As the Global Fund celebrates its 20th anniversary, it is timely that we reflect upon what has been achieved, and more so on what remains to be done to end the three epidemics by 2030. We are reminded of the wise words of Nelson Mandela, “after climbing a great hill, one only finds that there are many more hills to climb.”

The COVID-19 pandemic has brought unprecedented level of disruption and fundamentally changed the Global Fund’s operating and risk landscape. How soon the pandemic is beaten back is still an open question.

Whilst the Global Fund has already adapted to the changing landscape, further change is going to be needed, including discussion of the trade-offs, ambition, and revisions to the risk appetite framework.

The next year will be a critical one for the Global Fund: for implementation of the new grants, continued rollout of C19RM, and an urgent need to drive greater impact at all levels.

Over the coming months we will look forward to working with you to approve the Strategy Framework and build this into the full Strategy narrative, so we can make a compelling case for the 7th Replenishment.

We are grateful for the extra efforts made by everyone to adapt to virtual ways of working; to actively listen and understand colleagues’ views; to be open and clear; and to strive to find solutions and move forward.

Mindful of the high stakes and critical challenges ahead, our final invocation is simply that the measure of the maturity of our governance will be our ability to get things done; to move forward on our mission.

Thank you again – and “to work”.

Warmest regards,

Dr Donald Kaberuka
Chair

Lady Roslyn Morauta
Vice-Chair

Annexes

- Annex 1: Major Activities of the Board Leadership, June 2020 to May 2021
- Annex 2: Board Decisions, June 2020 to May 2021
- Annex 3: Board Approvals of Secretariat Recommendations for the 2020-2022 Allocation

Related documents

- [Board Leadership Report 2019-2020](#), June 2020
- [Agenda for 44th Board Meeting](#), 11-12 November 2020, Virtual Board Meeting
- [Agenda for 45th Board Meeting](#), 11-12 May 2021, Virtual Board Meeting
- [Report of the Coordinating Group](#), November 2020
- [Report of the Coordinating Group](#), May 2021
- [Report of the Executive Director](#), November 2020
- [Strategic Performance Report end-2020](#)
- [Results Report 2020](#)
- [Governance Performance Assessment 2020 Report](#), March 2021
- [Strategy Review 2020: TERG Position Paper](#), October 2020
- [Strategic Review 2020 Report](#), October 2020
- [COVID-19 Situation Report #42](#), May 2021

Annex 1: Major Activities of the Board Leadership, June 2020 to May 2021

Standing calls of Board Leadership:

- Monthly call with Executive Director
- Monthly call with Legal and Governance Department
- Quarterly call with Coordinating Group
- Quarterly call with IG
- Quarterly call with Ethics Officer

Other regular calls of Board Leadership:

- Board calls on COVID-19 Response
- BL calls on Strategy Development (with SC leadership, Strategy Hub and/or LGD)
- BL calls on governance matters (with EGC leadership, the Ethics Officer and/or LGD)

Date	Activity
Jun 2020	Board call on Extending the wambo.org pilot to include COVID-19 products
Jun 2020	Board call on the Development of the Next Global Fund Strategy
Jun 2020	Vice-Chair participated in Pacific Friends for Global Health meetings, including on Global Fund Strategy
Jun-Dec 2020	BL calls on IG selection (with EGC leadership, IGNC and/or search firm)
Jun 2020-May 2021	BL calls on Governance Performance Assessment (with EGC leadership, LGD and/or Nestor)
Jul 2020	Committee and CG meetings
Jul 2020	Vice-Chair participated in AIDS 2020 International AIDS Conference
Jul 2020	Chair participated in DFID Leadership retreat
Aug 2020	Vice-Chair participated in the WPR constituency consultation on the new Strategy
Aug 2020	Vice-Chair gave an address to the Moreton Club in Brisbane on the Global Fund
Aug 2020	Vice-Chair participated in the Pacific Friends consultation on the new Strategy
Sep 2020	BL meeting with Staff Council
Sep 2020	Chair participated in the CGD Online Event: Mitigating the Economic and Health Impact of COVID-19 across Africa
Sep-Nov 2020	Chair participated in the AU Africa Leadership Meeting (ALM) with MOH & MOF Ministers-EA, SA, WCA, Northern Africa
Oct 2020	Committee and CG meetings
Oct 2020	SC cluster calls on the new Strategy
Oct 2020	Vice-Chair participated in briefing of Australian Members of Parliament on Global Fund and Covid issues

Oct 2020	Chair attended the End of Malaria Council (Bill Gates Foundation)
Oct 2020	Chair participated in the FT Africa Summit
Oct-Nov 2020	BL bilateral calls with constituencies
Nov 2020	Vice-Chair participated in forum on global health and Covid organised by Results Australia
Nov 2020	Board Retreats on Strategy Development
Nov 2020	44th Board Meeting and CG meetings
Nov 2020	Board Executive Session
Dec 2020	Vice-Chair participated in GFAN Asia-Pacific documentary launch
Dec 2020	Intersessional Board Meeting on Strategy Development
Dec 2020	Chair attended the Private sector constituency 2020 Annual Retreat
Dec 2020	Vice-Chair speech at World AIDS Day celebration organised by DFAT and Australian Federation of AIDS Organisations
Feb 2021	Partnership Forum: Global Opening
Feb 2021	Partnership Forum 1: EECA-LAC
Feb 2021	Partnership Forum 2: Africa
Feb 2021	Board Executive Session
Mar, Apr, Jun	Vice-Chair participated in Pacific Friends for Global Health meetings
Mar 2021	Partnership Forum 3: Asia, Pacific and MENA2
Mar 2021	Partnership Forum: Global Closing
Mar 2021	Chair participated in the US Congress Hearing on COVID-19 in Africa
Mar 2021	Vice-Chair participated in WPR leadership handover meeting
Mar 2021	Board Executive Session
Mar 2021	Committee and CG meetings
Mar 2021	Board informational sessions on C19RM
Mar 2021	Vice-Chair participated in Friends Europe event
Mar 2021	Vice-Chair address to PNG CCM on the Global Fund and Strategy Development
Mar 2021	Board Executive Session
Mar 2021	Board call on 2020 Annual Financial Report
Mar 2021	Chair participated in the G20 High-Level Independent Panel (HLIP) – Experts roundtable
Mar 2021	Chair attended the Strategic Growth Event on How Private Sector Can Support COVID Response with Master Card
Apr 2021	Board call on Strategy Development
Apr 2021	Board workshop: Governance Performance Assessment

Apr 2021	Vice-Chair discussion with Australian Foreign Minister on Global Fund and Covid-19
Apr 2021	Vice-Chair speech to PNG-Australia Association
Apr 2021	Vice-Chair speech to Australian Institute of International Affairs (AIIA)
May 2021	45th Board Meeting and CG meeting
May 2021	Vice-Chair podcast for Australian Department of Foreign Affairs on the Global Fund

Annex 2: Board Decisions, June 2019 to May 2020

Core Board Functions:

1. Strategy Development (Nil)
2. Governance Oversight (X Decision Points)
3. Commitment of Financial Resources (X Decision Points, including 12 on 2020-2022 allocation, summarised in Annex 4)
4. Assessment of Organizational Performance (2 Decision Points)
5. Risk Management (Nil)
6. Partnership Engagement, Resource Mobilization and Advocacy (Nil)

Date	Decision	Title
Governance Oversight		
24/6/20	B43/EDP02	Appointment of Independent Committee Members of the Standing Committees of the Board
25/6/20	B43/EDP05	Amended and Restated Code of Conduct for Governance Officials
25/6/20	B43/EDP04	Amended and Restated Policy on Conflict of Interest
28/7/20	B43/EDP08	Approval of the Report of the 43rd Board Meeting
3/8/20	B43/EDP10	Appointment of the Inspector General Nomination Committee Membership
6/8/20	B43/EDP09	Secretariat Appointment
25/8/20	B43/EDP11	Extension of terms of the Board Chair and Vice-Chair
5/10/20	B43/EDP13	Appointment of Replacement Members on Standing Committees
22/10/20	B43/EDP15	Decision on Inspector General, contractual negotiations
11/11/20	B44/DP02	Approval of the Agenda
11/11/20	B44/DP01	Appointment of the Rapporteur
3/12/20	B44/EDP07	Appointment of the Inspector General
19/2/21	B44/EDP15	Approval of the Report of the 44th Board Meeting
24/2/21	B44/EDP16	Revision of Amended and Restated Code of Conduct for Governance Officials
29/3/21	B44/EDP20	Renewal of Executive Director Appointment
8/4/21	B44/EDP22	2020 Statutory Financial Statements 2020 Statutory Financial Statements

8/4/21	B44/EDP21	2020 Annual Financial Report 2020 Annual Financial Report
28/4/21	B44/EDP25	Appointment of Replacement Members on Standing Committees
11/5/21	B45/DP01	Appointment of the Rapporteur
Commitment of Financial Resources		
22/6/20	B43/EDP01	Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period
7/7/20	B43/EDP07	Extending the wambo.org pilot to include COVID-19 products
30/9/20	B43/EDP12	Extension of C19RM Timeline and Operational Flexibility for COVID-19
28/10/20	B43/EDP16	Approval of Additional Funding to Address the Health Crisis in Venezuela
30/10/20	B43/EDP17	Decision on extending the timeline for including COVID-19 products in the wambo.org pilot
11/11/20	B44/DP03	Approval of 2021 Work Plan and Budget Narrative and the 2021 Operating Expenses Budget
3/12/20	B44/EDP03	Decisions on the Secretariat's Recommendation on Grant Extensions
10/12/20	B44/EDP05	
22/12/20	B44/EDP13	
Various	12 decisions, see Annex 3	Decisions on Secretariat Recommendations for the 2020-2022 Allocation
17/12/20	B44/EDP09	Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period
30/3/21	B44/EDP18	Second Extension of C19RM Timeline and Operational Flexibility for COVID-19
15/4/21	B44/EDP24	Second Extension of the Timeline for Including COVID-19 Products in the wambo.org Pilot
11/5/21	B45/DP03	Operating Expenses for the 2020-2022 Allocation Period
Assessment of Organizational Performance		
30/6/20	B43/EDP06	Revisions and Target Setting for Key Performance Indicators
11/12/20	B44/EDP06	Revisions for Key Performance Indicators

Annex 3: Board Approvals of Secretariat Recommendations for the 2020-2022 Allocation

In the last year, the Board has approved total program budgets of about \$10.1 billion (181 grants) for the 2020-2020 Allocation. These are consolidated and summarised in the table below for reference. (Note: some grants are in euros. In the table below, they are converted to US dollar equivalents.)

	Total Program Budget, \$ million	Number of grants
BM43/EDP14	1,168.2	18
Afghanistan	20.0	1
Azerbaijan	17.3	1
Côte d'Ivoire	14.4	1
Guinea-Bissau	30.1	1
Malawi	523.8	4
Mongolia	13.3	1
Namibia	39.2	1
Philippines	159.4	3
Uganda	339.5	3
Zanzibar	11.2	2
BM43/EDP18	714.5	15
Afghanistan	9.5	1
Bangladesh	145.9	4
Burkina Faso	184.2	1
Eswatini	2.6	1
Honduras	4.0	1
Tajikistan	25.0	1
Thailand	60.6	2
Uganda	263.0	2
Lao (People's Democratic Republic)	15.5	1
Multicountry Americas	4.0	1
BM44EDP01	1,997.5	39
Burundi	65.6	1
Cabo Verde	5.2	1
Congo (Democratic Republic)	235.2	3
Cuba	17.4	1
Eritrea	18.0	1
Guinea	66.8	2
Guinea-Bissau	32.3	1
Haiti	16.8	1

Indonesia	170.8	3
Kazakhstan	7.2	1
Kyrgyz Republic	27.4	1
Liberia	37.9	2
Moldova	22.0	1
Morocco	19.4	1
Mozambique	200.0	2
Multicountry Western Pacific	3.0	1
Niger	137.4	2
Nigeria	557.2	5
Somalia	18.6	1
South Sudan	71.5	1
Timor-Leste	3.9	1
Viet Nam	120.8	3
Zimbabwe	77.5	2
Central African Republic	65.6	1
BM44/EDP02	390.7	10
Afghanistan	29.0	2
Côte d'Ivoire	105.3	2
Togo	120.6	3
Ukraine	135.8	3
BM44/EDP04	1,772.1	27
Burundi	44.8	1
Congo	35.5	1
Guatemala	26.6	1
Haiti	79.1	1
Indonesia	26.5	1
Madagascar	15.1	1
Mauritius	2.3	1
Mozambique	573.9	4
Myanmar	227.8	4
Pakistan	34.4	2
Solomon Islands	1.2	1
Tanzania (United Republic)	608.2	4
Timor-Leste	11.8	2
Venezuela	19.8	1
Zambia	65.1	2

BM44/EDP08	1,893.2	23
Cameroon	285.9	3
Djibouti	10.9	1
East Asia and Pacific RAI	226.7	1
Eritrea	26.6	2
Guinea	71.2	1
Madagascar	17.1	2
Mali	113.7	3
Nigeria	310.6	2
Sao Tome and Principe	14.3	1
Somalia	66.0	2
Turkmenistan	5.1	1
Zambia	262.4	2
Zimbabwe	445.0	1
Papua New Guinea	37.5	1
BM44/EDP10	678.0	16
Benin	53.9	3
Burkina Faso	66.0	3
Cambodia	61.5	1
Cameroon	38.5	1
Côte d'Ivoire	136.8	2
Ghana	238.2	5
Central African Republic	83.0	1
BM44/EDP11	680.2	16
Cambodia	4.0	1
Congo	33.2	1
Congo (Democratic Republic)	416.6	3
Haiti	23.5	1
Multicountry Western Pacific	10.3	1
Pakistan	22.5	1
Senegal	86.2	4
Solomon Islands	8.0	1
Sudan	35.4	2
Papua New Guinea	40.5	1
BM44/EDP14	21.2	3
Iran (Islamic Republic)	11.2	1
Paraguay	6.7	1
Suriname	3.3	1

BM44/EDP17	52.3	3
Nepal	52.3	3
BM44/EDP19	502.7	8
Bangladesh	20.9	3
Côte d'Ivoire	28.2	1
Ethiopia	453.6	4
BM44/EDP23	193.5	3
Bhutan	1.4	1
Rwanda	192.2	2
Grand Total	10,064.1	181