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of the Global Fund

Board Releases Summary of Board Meeting on the Report of the High-Level Panel

Recommendations to be implemented with a goal of avoiding any increases in staffing or administration

Staff managing grants to spend considerably more time in-country

The Chair and Vice-Chair of the Global Fund Board have released a summary report on the Board meeting that took place on 26 September 2011. The report provides some glimpses into what transpired at the meeting, which, unlike most of the Fund's Board meetings, was closed to observers. The report also summarises the next steps with respect to implementation of the recommendations of the High-Level Independent Review Panel.

Five members of the Panel attended the meeting. They included the Co-Chairs, Michael Leavitt, former U.S. Secretary of Health and Human Services and former Governor of Utah, and Festus Mogae, former President of Botswana. The other three members in attendance were Gabriel Jaramillo, a former senior official with Citibank and Banco Santander Brasil; Barry O'Keefe, Chair of Interpol's International Group of Experts on Corruption; and Claude Rubinowicz, Inspector General of Finance in a French government ministry.

Most of the first half of the meeting was taken up by a presentation from the Panel, statements by the Fund's Executive Director and Inspector General, and a question and answer period involving Board and Panel members.

The Panel stated that for the Global Fund to transition from an emergency to a sustainable response, all six categories of the Panel's recommendations had to be implemented. With respect to the category of

Board governance, the Panel said that it based its recommendations on the need to ensure that the Board was focused on “the right issues.” According to the Board Chair and Vice-Chair, the Panel “stated unequivocally that a failure of the Board to reflect on its governance model and take urgent action could undermine the successful implementation of all other Panel recommendations.”

In his statement, Executive Director Michel Kazatchkine said that many of the Panel’s recommendations validated reforms already underway within the Secretariat, but he also acknowledged that the Panel’s recommendations move the Global Fund far beyond these changes.

In their report, the Board Chair and Vice-Chair said there was “robust discussion” at the meeting on one founding principle that Board members believed should remain unchanged as the Panel’s recommendations were taken forward – i.e., the principle of balanced ownership between voting blocs, including the practice of rotation between the voting blocs for key leadership positions. In its recommendations on Board governance, the Panel had said that its proposed Investment Committee should consist of nine Board Members, five from the donor bloc and four from the implementer bloc. However, following some discussion, the Board decided that the committee – which it renamed “Strategy, Investment and Impact Committee” – would consist of ten Board members, with an equal number (five) from each bloc.

The Board said that the Global Fund will begin immediately implementing the Panel’s recommendations regarding:

- reported incidents of fraud;
- strengthening oversight on more recent rounds of investments;
- improving the relationship between the OIG and the Executive Director;
- defining a doctrine of risk and managing risk;
- redefining the principle of country ownership;
- empowering middle-management decision making;
- streamlining Secretariat staff to work more directly on grant management;
- strengthening the role of the fund portfolio managers;
- measuring outcomes, not inputs; and
- focusing on quality and value, rather than quantity.

The Board said that Secretariat staff managing grants will spend considerably more time working in the countries for the grants they manage.

The Board said that it would begin immediately to implement changes to the grant approval process, as recommended by the Panel. The Board said that these changes “will be finalized through the development of the Global Fund’s new five year strategy to be endorsed by the Board in November 2011.”

According to the Board Chair and Vice-Chair, at the meeting the Board “made clear” its expectation that the Global Fund Secretariat would implement the Panel’s recommendations “seeking to avoid any increase in general administrative overheads and to stabilize staffing levels.”

The Board expects the first status reports on the actions that will begin immediately to be presented to the next Board meeting in November 2011.

The Summary Report on the 24th Board meeting, prepared by the Chair and Vice-Chair, is available [here](#).

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