



Independent observer
of the Global Fund

Main decisions at Global Fund Board meeting relate to operating expenses budget and private sector engagement

On 14-15 November 2018, the Global Fund Board held its 40th meeting in Geneva, Switzerland. GFO was present, with observer status. The main decisions made at the meeting, in chronological order, were as follows. (For precise wording of what the Board agreed, see the decision points documents now available at <https://www.theglobalfund.org/en/board/decisions/>. Background documentation will also, usually within two weeks of the Board decisions, be posted on the Global Fund website.)

2019 OPEX budget and work plan. The Board approved the 2019 operating expenses budget in the amount of \$302.0 million. This enabled the Global Fund to stay within its self-imposed \$900.0 million budget ceiling for 2017–2019. The OPEX budget includes \$15.6 million for the Office of the Inspector General. The Board also approved the 2019 Corporate Work Plan and Budget Narrative. Further details are provided in [a separate article in this issue](#). [See [Decision Point GF/B40/DP03](#)]

Private sector engagement. The Board confirmed the importance of the role played by the private sector in the Global Fund's resource mobilization strategy — providing both financial and non-financial resources to the Fund's efforts to combat HIV, TB and malaria. The Private Sector Engagement (PSE) Framework approved as part of this Decision Point consolidates and updates previous Global Fund private sector engagement policies. The Board noted the work done by the Ethics and Governance Committee in overseeing and endorsing the PSE Framework prepared by the Secretariat. (Aidspace plans to report on this topic in a future issue of GFO.) [See [Decision Point GF/B40/DP04](#).]

Electronic Decision Points confirmed

Just prior to its in-person meeting in Geneva, the Board made three decisions through electronic voting,

as follows:

KPI 12b: Availability of affordable health technologies — Affordability. Based on a recommendation from the Audit and Finance Committee, the Board approved a 2019 performance target of \$115 million for key performance indicator 12b. The target refers to savings achieved through the Pooled Procurement Mechanism on a defined set of key new and mature products. The Board had decided earlier that the target for KPI 12b would be set annually based on best available demand and price projections. See [Board Document GF-B39-ER14A](#). (The document is also identified by the name given to this decision point: GF-BM39-EDP17-Annex.)

Appointment of the membership of the Board Leadership Nomination Committee. The Board appointed Stéphanie Seydoux and Viokas Sheel as, respectively, chair and vice-chair of the Nomination Committee. The Board also appointed the following members of the committee: Paul Schaper, Rachel Ong, Sherwin Charles, Olaitan Tajudeen and Minghui Ren. See [Board Document GF-B39-ER13](#). (The document is also identified by the name given to this decision point: GF-BM39-EDP16-Annex.) The terms of reference of the Nomination Committee were approved in an earlier electronic decision. See [Board Document GF-B39-ER07](#). (The document is also identified by the name given to this decision point: GF-BM39-EDP08.)

Revised Terms of Reference for the Chair and Vice-chair of the Board. New terms of reference will be applicable for the Chair and Vice-chair of the Global Fund Board beginning with the next term of the Chair and Vice-chair. The details of the new Terms of Reference are set out in Annex 1 of [GF/B39/ER15](#), an electronic report to the Board released on 26 October 2018. The proposed revisions aim to simplify and clarify the wording of the existing Board Leadership Terms of Reference. In August 2018, the Board approved a revised process for the selection of the Board chair and vice-chair (see [GFO article](#)). A process is being launched this month for the selection of the next Board chair and vice-chair, who will assume their responsibilities immediately after the 41st Board meeting in May 2019.

Other topics addressed during the pre-Board and Board sessions

Some of the other topics discussed for which there were no associated decision points, included:

- Report of the Technical Review Panel (TRP) and Country Funding: This was a 2-part update, consisting of a routine update on country funding status, and a report on the TRP analysis of RSSH:
 - o Country funding status: The TRP report to the Board shows that 25% of the funding requests for the 2017-2019 allocation are still in grant-making, and will be moving to Board approval by the end of 2018 (this equates to roughly \$1 billion, or 10% of the total allocation for the period). Under Unfunded Quality Demand (UQD), the requested Portfolio Above Allocation Request (PAAR) is \$4.3 billion; the TRP has approved \$4 billion of that. The Fund will end up funding close to \$1 billion of UQD (about 25%). The key message is that most of the allocation has been done, and in a fairly timely manner.
 - o TRP analysis of RSSH investments in the 2017-2019 funding cycle: This synthesis of studies done by the TRP, the TERG and the Secretariat between May and September 2018 took a deeper dive into 42 funding requests that had RSSH elements within them, at the request of the Strategy Committee (SC). The purpose was to gather lessons learned from the TRP's assessment of these proposals and to make recommendations on how the Global Fund can leverage further RSSH improvements in the next allocation period (2020-2022). The analysis came up with seven key actions that were presented to the SC in October 2018.
- Agreed Management Actions from OIG reports: As of 31 August 2018, overdue agreed management actions were at their lowest level since the Office of the Inspector General started systematically tracking and reporting on the implementation of AMAs in 2014. By the end of this period, there were 68 open

AMAs and 22 overdue AMAs. In addition, all AMAs related to three areas – Country Coordinating Mechanism processes, grant closure, and risk management – had been closed. (GFO will do a follow-up article on AMAs in a future issue.) The related Board paper (GF/B40/06) should be available on the Global Fund website within two weeks.

– Report of the Technical Evaluation Reference Group (TERG): TERG Chair Jim Tulloch delivered a presentation to a pre-Board discussion session that was an update “on process [activities] rather than outcomes”, he said. The update was based on a Board paper (GF/B40/08) describing the TERG’s key activities for 2019, an update on TERG thematic reviews, an update on Prospective Country Evaluations (PCEs), and an update on strategic reviews. The related Board paper (GF/B40/08) should be available on the Global Fund website within two weeks. (GFO will do a follow-up article on TERG activities, with a focus on PCEs and thematic reviews, in a future issue.)

– The Coordinating Group: The Board’s Coordinating Group (CG), the forum in which the three Board committees communicate and coordinate in pursuit of increasingly effective Board function, met during the last afternoon of the Board meeting. The CG consists of the Board Chair and Vice-Chair, the Head of the Office of Board Affairs as well as the Chair and Vice-Chair of each of the standing committees: The Audit and Finance Committee, the Ethics and Governance Committee, and the Strategy Committee. In this Board session each committee shared their high-level priorities and workplans for 2019. The related Board paper, the Report of the Coordinating Group, is an update on the work of the three committees between the 39th and 40th Board meetings, is GF/B40/10, which should be available on the Global Fund website within two weeks.

– Board Chair honors Kofi Annan: At the start of the Board’s closing session, Board Chair Aida Kurtovic expressed the wish to honor the memory of Kofi Annan, “one of the leading voices calling for the creation of the Global Fund to finance the three diseases,” Kurtovic said. Annan died on 18 August 2018 of cancer, at the age of 80, in Bern, Switzerland. After Annan stepped down as UN Secretary General (his position at the time of the creation of the Fund), he remained a prominent advocate for the Global Fund, Kurtovic said, personally engaging in every Global Fund Replenishment. “I want us to be reminded of the great contribution that Kofi Annan gave to the Global Fund and to the world,” she said.

Editor’s note: This article is dated 15 November, which is when this article was uploaded into our automated system. The article was not published until 16 November, the day following the Board meeting. This respects our agreement with the Global Fund concerning when we publish articles that are based on the content of the Board papers.

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