



Independent observer
of the Global Fund

Global Fund Board meeting does beneficiaries and communities proud

Dear subscribers

The Global Fund held its 48th Board meeting between 15-17 November 2022 in Geneva, Switzerland. This is our special Board issue of the Global Fund Observer, when we bring you the most important outcomes, the Decision Points, up front and then we take a closer look at the background papers that resulted in the recommendation of those Decision Points to the Board.

We have experienced several Board meetings in the past but this one has been especially exciting and engaging. We are appreciative of the sheer dedication and passion exhibited by staff, Committee and Board members. What an emotional roller-coaster, as outstanding replenishment pledges came in literally while the Board was in session and as a result Decision Points had to be altered 'on the hoof', so to speak.

For those of you who are used to hearing us grumble about various issues, you'll be shocked to hear that this time there's not one complaint. Yes, really! If you didn't go to the Board meeting, you must be wondering why...

The past three Board meetings have been pretty momentous, dealing with the Strategy consultations and development and the run-up to the Seventh Replenishment, all in the time of COVID, lockdowns, economic freefall and then the Russian invasion of Ukraine and devastating climate events. Nonetheless, the Board and Committees continued to meet and conduct their work through a virtual format. But this 48th Board meeting has been astonishing in the way that it has showcased the ability of the Secretariat and partners to rise to the occasion and in particular to work tirelessly to revisit the Decision Points regarding financial matters. One has to feel sympathy for the Chief Financial Officer and her staff who have had to prepare countless iterations as funding scenarios changed according to pledges received: as she herself said, they went from having to allocate \$14.25 billion to \$15.669 billion (a net total of \$13.678 billion,

referred to as ‘adjusted pledges’) in just under eight weeks between the Pledging Conference and the Board meeting. What a feat.

As a delegate said, the Global Fund offers incredible value for money with its operating costs at around 7%. Compare this to other similar-sized international organizations with costs between 15% and 38%. There is simply no comparison. While we might mumble about jargon and moan about Fundspeak, we also know that it is a privilege to be associated with the Global Fund, even as a watchdog, and the world would be an infinitely poorer place without it.

In this Editorial, we will not go into the articles at all except to say that we selected the Board papers that we felt were of most interest and topical relevance to readers. And what we could not cover in this issue (or you would still be reading it over the weekend) will be discussed in our next, due out on 7 December: the last issue of 2022.

This issue will also include summaries of two very exciting sessions entitled Thematic Discussions, one for Communities and the second on Gender. As these topics are so important and, given how they are priorities for the forthcoming funding cycle and new Strategy, we decided to give them special focus by covering them in the last issue of the year.

For now, though, we bring you the Decision Points.

After approving various house-keeping decisions such as the agenda and the rapporteur, the following Decision Points were presented for approval. You’ll find a summary of the thematic issues behind each Decision Point, including stakeholder feedback and Board deliberations, in the articles following this one.

The somewhat ‘dry’ recounting of these Decision Points does not do justice to the efforts of the Secretariat staff and the Committees who, due to very welcome pledges arriving at short notice, had to go back to the drawing board when it came to the decision points related to Sources and Uses of Funds, and OPEX. Please do read the related articles and join Aidspace in thanking our dedicated Global Fund staff and partners for their extremely hard work under difficult circumstances.

Extension of the COVID-19 Response Mechanism (C19RM)

Decision Point GF/B48/DP03: Extension of the COVID-19 Response Mechanism (C19RM)

1. The Board acknowledges that C19RM was established to support (i) COVID-19 control and containment interventions, (ii) COVID-19 risk-related mitigation measures for programs to fight HTM, and (iii) expanded reinforcement of key aspects of health systems, and recognizes that C19RM requests and awards through the end of 2021 largely focused on the acute response to the COVID-19 pandemic;
2. The Board acknowledges that the pandemic is evolving, and that recipient priorities are correspondingly shifting towards longer-term investments in health systems’ infrastructure and capacities for pandemic preparedness and response;
3. To facilitate careful planning of such investments, including alignment with potential funding requests for the Seventh Replenishment grant cycle, the Board approves that C19RM funds may be awarded through 30 June 2023, with opportunity for subsequent C19RM portfolio optimization awards;
4. To enable maximization of impact from investments in resilient and sustainable systems for health, the Board approves that any C19RM funds may be implemented through 31 December 2025 and will finance interventions across the Sixth and Seventh Replenishment periods – acknowledging that the Secretariat will continue to ensure rapid deployment of funds and quality implementation notwithstanding this deadline;
5. The Board approves that C19RM funding requests will continue to be developed through

- appropriate, multi-sectoral consultation and fully inclusive decision-making, which must engage communities and civil society, and which must ensure coordination with the national COVID-19 response coordinating body or provide other evidence of alignment with the national approach to COVID-19 response in the absence of such a coordinating body;
6. The Board approves that the Secretariat may use up to 4.5% of C19RM funds, representing an increase from the prior ceiling of 3%, to cover additional management and operating costs related to extension of C19RM; and
 7. The Board agrees that all other parameters of C19RM under GF/B46/EDP06 remain unchanged.

Budgetary implications (included in, or additional to, OPEX budget):

Incremental management and operating costs directly attributable to C19RM will be covered by up to 4.5% of any funds made available for C19RM.

Sources and Uses of Funds for the 2023–2025 Allocation Period

Decision Point GF/B48/DP04: Sources and Uses of Funds for the 2023–2025 Allocation Period

1. Based on the recommendation of the Audit and Finance Committee (AFC), as presented in GF/B48/03A – Revision 1, the Board approves US\$ 12.903 billion as sources of funds for allocation for the 2023-2025 allocation period. The total amount of sources of funds for allocation comprises, in accordance with the Comprehensive Funding Policy set forth in Annex 1 to GF/B36/02 – Revision 1 and approved through decision point GF/B36/DP04:
 1. US\$ 13.678 billion, derived from the announced replenishment results for the Seventh Replenishment, net of adjustments;
 2. US\$ 0.250 billion of forecasted unutilized funds from the 2020-2022 allocation period; and
 3. a deduction of US\$ 1.025 billion of forecasted aggregate operating expenses for the 2023-2025 allocation period.
2. Based on the recommendation of the Secretariat to supplement the recommendation of the Strategy Committee, as presented in GF/B48/03A – Revision 1, the Board approves the use of an additional US\$ 0.200 billion for catalytic investments for the 2023-2025 allocation period, bringing the total amount, from sources of funds for allocation, for catalytic investments for the 2023-2025 allocation period to US\$ 0.400 billion, to be made available for the priorities and associated costs set forth in Annex 1 of GF/B48/03A- Revision 1, and based on the recommendation of the Secretariat, the Board approves updating the delegated authority to the Secretariat established in paragraph 7 of GF/B47/DP06 so that the Secretariat may increase the amount of funding available for the Emergency Fund by up to an additional US\$ 0.020 billion, using funding approved as available by the AFC for portfolio optimization.
3. Additionally, based on the recommendation of the AFC and to help ensure the maximum amount of impact and use of funds over the 2023-2025 allocation period, the Board requests that the Secretariat include an additional US\$ 0.625 billion in the amount used to determine country allocations pursuant to the allocation methodology for the 2023-2025 allocation period in accordance with decision point GF/B47/DP05 (Allocation Methodology).
4. Accordingly, the Board approves that the amount of sources of funds for country allocations for the 2023-2025 allocation period is US\$ 12.503 billion, to which US\$ 0.625 billion will be added prior to determining the country allocation, for a total of US\$ 13.128 billion, to be used in accordance with the Allocation Methodology and decision point GF/B47/DP05.

Decision Point GF/B48/DP05: 2023 Work Plan and Budget Narrative and the 2023 Operating Expenses Budget

Based on the recommendation of the Audit and Finance Committee (AFC), and the recommendation of the Secretariat to supplement the AFC's recommendation, the Board approves the following:

1. the 2023 Work Plan and Budget Narrative, as set forth in GF/B48/02A – Revision 1; and
2. the 2023 Operating Expenses Budget in the amount of US\$ 340 million (comprising (i) PART A Secretariat Operating Expenses of US\$ 272 million, which includes US\$ 16.5 million for the Office of the Inspector General's 2023 Operating Expenses; and (ii) PART B In-Country and Independent Bodies of US\$ 68 million), as set forth in GF/B48/02A – Revision 1.

2023-2028 M&E Framework, KPI Framework and Multi-Year Evaluation Calendar

Decision Point GF/B48/DP06: 2023-2028 M&E Framework, KPI Framework and Multi-Year Evaluation Calendar

1. The Board acknowledges and appreciates the extensive work across the partnership to incorporate past lessons into development of an improved holistic approach to Monitoring and Evaluation (M&E) for the new Strategy. The Board notes the recommendations of the Strategy Committee (SC) and Audit and Finance Committee (AFC), as set forth in GF/B48/04 and:

1. Endorses the components of the M&E Framework as described in GF/B48/04 Annex 1;
2. Approves the KPI Framework (including each Key Performance Indicator), as set forth in GF/B48/04 Annex 2;
3. Approves the topics for the Multi-Year Evaluation Calendar 2023-2028 as set forth in GF/B48/04 Annex 3; and
4. Delegates authority to the SC to approve changes to the Multi-Year Evaluation Calendar in 2023, following a request by the Chief Evaluation and Learning Officer and advice from the Independent Evaluation Panel.

Budgetary implications (included in, or additional to, OPEX budget):

Budget for the Independent Evaluation Function is included in the 2023 OPEX and will be requested annually in line with approved workplans. No specific budgetary implication for the implementation of the KPI Framework.

Advancement of Non-Global Fund-Financed Procurement Utilizing the Pooled Procurement Mechanism and wambo.org

Decision Point GF/B48/DP07: Advancement of Non-Global Fund-Financed Procurement Utilizing the Pooled Procurement Mechanism and wambo.org

The Board:

1. recalls its approval of a pilot for procurement of health and non-health products via wambo.org for eligible buyers using domestic and other non-Global Fund sources of funding as detailed in GF/B37/DP09 and GF/B42/DP05; and its request that the Secretariat include the results of an evaluation of the pilot in the development of a strategy for future advancement of wambo.org to be presented for Board approval no later than November 2022;

2. notes the Technical Evaluation Reference Group (“TERG”) evaluation findings and recommendations concerning the pilot discussed at the 18th meeting of the Strategy Committee; and
3. understands that the Secretariat will explore appropriate solutions for the challenges raised by the TERG evaluation and continue to facilitate access to products through wambo.org, while in parallel working to strengthen the capacities of regional and national procurement channels to ensure value for money and options for access to quality-assured health products for countries.

Therefore, based on the Strategy Committee’s recommendation and in support of the proposed approach for non-Global Fund financed procurements, as detailed in GF/B48/05, the Board approves:

1. The Secretariat’s continued operationalization of the current scope of non-Global Fund-financed orders by governments and non-government development organizations in Global Fund-eligible and transitioned countries, for products and services as they become available on wambo.org;
2. Removing any cap related to non-Global Fund-financed orders; and
3. Incorporating reporting on the non-Global Fund-financed procurement mechanism into annual updates to the Board on NextGen Market Shaping implementation

Budgetary implications (included in, or additional to, OPEX budget):

Costs associated with operationalization of continuation of the non-Global Fund-financed procurement mechanism are estimated at up to USD 350,000 per year for incremental and ongoing operating costs related to information technology and staff. Following Board approval, these estimated costs will be incorporated, as appropriate, into the OPEX budget.

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The Aidspace Editorial Team

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