



Independent observer
of the Global Fund

A gloomy start to the run-up to the Board meeting

An additional meeting of the 20th Strategy Committee (SC) was held on 7 November this week. At this meeting, SC members revisited the earlier recommendations to be put to Board for decision, which have had to be reworked and amended based on the disappointing results of the Seventh Replenishment and the as yet failure of Italy and the United Kingdom to commit to investing in the new allocation cycle.

This article looks at the revised decision-points and summarizes the Board meeting agenda for the meetings next week.

20th Strategy Committee

One can only imagine how difficult this meeting must have been for all concerned but especially for the Secretariat given the huge efforts of the Global Fund and its partners to build up to the replenishment conference and reach a successful outcome over the past nine months or so.

Trade-offs regarding future funding scenarios

There was discussion of the overarching trade offs that will have to be made regarding country allocations, Catalytic Investments (CI), the Operating Expenses (OpEx) and others, and SC input was also requested on the Sources of Fund.

Setting the scene for the discussions and decisions to be taken by the SC, the Secretariat presented the current financial status, what it calls “cascading” (unsure as to the meaning of this), challenges and overarching tradeoffs. The meeting also discussed the interrelationship between country allocations, CIs and OpEx. These important discussions were held in three segments:

- Discussion round 1: Discussion of priorities and general prioritization approach across all sources of

funds to best deliver on the Strategy

- Discussion round 2: Discussion of the proposed approach to Catalytic Investments, including planned adjustment to ceiling and amounts. This resulted in a “Supplemental Recommendation on Catalytic Investments for the 2023-2025 Allocation Period” for upcoming Board discussion.
- Discussion round 3: Discussion of OpEx areas under SC oversight (Country Coordinating Mechanisms (CCMs), the Independent Evaluation function, and the Technical Review Panel [TRP]). This has resulted in a decision and recommendation to the Board on: (i) the Annual Workplan and 2023 Budget of the Independent Evaluation Function; and (ii) the Annual Workplan and 2023 Budget of the TRP.

In addition the SC also discussed a recommendation for Board approval for a further extension of the timelines for the award and use of funds for the COVID-19 Response Mechanism (C19RM).

The decisions reached and general input were conveyed by the SC’s leadership to the Audit & Finance Committee (AFC) at its meeting of 9 November to inform OpEx decision-making.

Board meeting agenda

Constituency meetings will take place on Monday 14 November.

The first day of the Board meeting on Tuesday 15 November is likely to be the most depressing, since the first main session of the Board is a report and discussion on Resource Mobilization and the 7th Replenishment Outcomes. This will be followed by the Executive Director’s Report, which includes an update on Strategy implementation. Presumably this too will refer to the implications of the failure to meet the Replenishment targets on the future of the Strategy’s roll out. The final session of the morning is discussion of the 2023 Work Plan and Operating Expenses Budget, including Strategy costing and three-year cap. After lunch, the Sources and Uses of Funds will be discussed. Decisions regarding both these items will be voted on on Thursday.

On Wednesday 16 November, the meeting starts with an interactive session on Communities managed by the SC Leadership (Thematic Discussion Session 1). This is followed by a review of how the Global Funds intends to engage with the World Bank and its Financial Intermediary Fund (FIF) on Pandemic Preparedness and Response. The morning’s last session is for decision, on the proposed Extension of COVID-19 Response Mechanism Timeline and COVID-19 Operational Flexibility.

The afternoon starts with a discussion and decision on the M&E Framework including Key Performance Indicators (KPIs) and Multi-year evaluation calendar, followed by an SC Leadership led second interactive discussion on Gender (Thematic Discussion 2).

The final day, Thursday 17 November, starts with decisions to be taken on 2023 Work Plan and Operating Expenses Budget, including strategy costing and three-year cap, and Sources and Uses of Funds. After these difficult decisions, and doubtless with a sigh of relief, the Board moves into safer waters in discussing the Office of the Inspector General (OIG) 2022 Report and Risk Management.

The afternoon is spent in discussing Next Gen Market Shaping: Part 1 – Next Gen Market Shaping Approach for Information/Input and Part 2 – Non-Global Fund financed procurement through wambo.org for decision. The final agenda item is a governance briefing on the Update on the Board Leadership Selection Process from BLNC Leadership.

Commentary

There is little one can say except to express sympathy and solidarity with Board members and

constituencies who are going to have to reach some very hard decisions regarding the financial outlook and future plans for Strategy implementation. We do feel, however, the the ambitions of the Strategy will be severely limited if Catalytic Investments are too heavily affected; see our separate article on this ([Difficult choices: What will become of Catalytic Investments?](#)).

The GFO will give a full report on the Global Fund Board Meeting in its next edition, which will be published after the Board meeting concludes on 17 May 2021.

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