



Independent observer
of the Global Fund

MAIN DECISIONS MADE AT NOVEMBER BOARD MEETING

Key decisions made by the Global Fund Board at the meeting that ended yesterday were, in chronological order, as follows. (For precise wording of what the Board agreed, check in www.theglobalfund.org/en/files/boardmeeting16/GF-BM16-Decisions.pdf for the Decision Points specified below.)

1. Approval of Round 7 Grants: The board approved 73 Round 7 grants that will cost \$1,119 million over the first two years and \$2,762 m. over five years – a record dollar amount. [For details, see GFO Issue 79, dated 12 November 2007, accessible at www.aidspace.org/gfo.] [See Decision Points 4 and 5.]
2. Revision of Rolling Continuation Channel: Last year, the Board introduced the “Rolling Continuation Channel” (RCC) under which a CCM may apply for further funding for a grant that is approaching the end of Phase 2, but only if the grant is “strongly performing”. The Board was somewhat shocked when five of the first batch of ten grants submitted to the TRP for RCC-approval (namely, the ones from China, Cuba, Haiti, Honduras and the Western Pacific) were not recommended for approval, even though all of them had been determined to be strongly-performing. Arising from this, the Board modified some of its rules regarding RCC proposals: it clarified the role that it expects the TRP to play when reviewing RCC proposals; it specified that the five applicants who had not been approved may submit revised RCC proposals in the next quarterly “wave”; it introduced an appeals policy; and it introduced a means to provide bridge funding to applicants that have to resubmit their RCC proposals. Also, the Board revised its earlier decision that grants approved in Round 4 and later that have a term of less than five years will not be eligible for RCC funding; it specified now that this restriction could be lifted by the Secretariat if the reason that the grant term was less than five years was that the grant had been implemented on an accelerated basis. [See Decision Points 6-8.]
3. Grant Consolidation: Last year, the Board asked the Secretariat to conduct a pilot project in a few

countries in which, when the CCM and Principal Recipient agreed, two or more grants to the same PR for the same component could be consolidated into one grant, with no reduction in grant value but with simplified administration for all parties as a result of the reduced number of targets, reports, disbursements, Phase 2 decision dates, etc. The Board now extended this project, specifying that it could be conducted in all countries; that the Secretariat could be flexible in its application of existing rules if that would help consolidation; that the Secretariat could approve limited amounts of bridge funding from potential forthcoming Phase 2 funding in order to facilitate consolidation; and that application forms for Round 8 and later should be modified to permit an applicant to request a potential new grant to be consolidated with an existing grant. [See Decision Point 9.]

4. Health-systems strengthening: Within the Board, there have for years been modest tensions between those who want the Fund's money to be used, in part, for health systems strengthening (HSS) (known as a "horizontal" intervention), and those who want it to deal only with the three diseases ("vertical"). After much discussion, the Board came to a consensus that a Global Fund grant can be used to strengthen public, private or community health systems, but only if doing so makes it easier for the country to combat the three diseases (a "diagonal" intervention.) If there can also be broader benefits, so much the better. More specifically, the Board agreed that starting with Round 8, the Fund will: specify what kinds of HSS actions applicants are encouraged to consider; give suggestions on how to choose among these; permit applicants to include, within their disease-specific application, a request for HSS funding that can benefit more than one disease; permit the TRP to recommend for funding just the disease-specific part, just the HSS part, or both; and recommend that CCMs include among their membership at least one government person with HSS responsibilities and at least one in-country NGO person with HSS expertise. [See Decision Point 10.]
5. Board constituency processes: The Board approved Guidelines on processes to be followed within a board delegation or constituency when, as is usually the case, one board member represents multiple countries or organizations. [See Decision Point 11.]
6. Partnership Forum: The Board agreed that the Fund's Partnership Forum will take place at any time during each evenly-numbered year, and that the next one will take place in Dakar, Senegal, on 8-10 December 2008. [See Decision Point 12.]
7. Hosting the Affordable Medicines Facility – malaria: The most effective anti-malaria drug is artemisinin combination therapy (ACT), but for many people it is too expensive. To help in this regard, the Board agreed to look into hosting the Affordable Medicines Facility – malaria (AMFm), formerly known as the Global ACT Subsidy. The idea would be to help reduce the price for ACTs by negotiating with drug companies as well as providing co-payments or subsidies to purchasers of the drugs. The Board requested the Secretariat to develop a plan for hosting the AMFm, to be reviewed at the next Board meeting in April 2008. [See Decision Point 14.]
8. Eligibility of Upper-Middle Income countries: The Board has been arguing for years about whether and when the Fund should provide grants, particularly regarding HIV, to Upper-Middle Income countries (UMICs). In April the Board agreed, with great difficulty, that UMICs should be eligible for HIV grants if the epidemic has a "measurable impact" on population demographics such as life expectancy, or if the epidemic in a vulnerable population is such that there is a risk of accelerated spread within that vulnerable population. At this week's meeting, precise rules for this approach were agreed. These included that there will be a grace period of one year for countries that move up from one income category to the next; that no more than 10 percent of the Fund's financing will go to UMICs (which is significantly more than is currently the case); that in UMICs, the Fund will, with some exceptions, finance no more than 35 percent of the national disease program; and that the Fund will review this entire policy in three years. [See Decision Point 18.]
9. Representation of key affected populations in CCMs: The Board adapted its CCM Guidelines to include the recommendation (but not the requirement) that CCMs include representation of key "affected populations", which UNAIDS defines as women and girls, youth, men who have sex with men (MSM), injecting and other drug users, sex workers, people living in poverty, prisoners, migrant laborers, people in conflict and post-conflict situations, refugees and internally displaced persons.

[See Decision Point 19.]

10. Financial support for CCMs: In the past, CCMs were permitted to apply for permission to use limited amounts of their country's grant funds to help cover CCM administrative costs for up to two years. The Board agreed to replace this with a policy whereby as long as the CCM has at least one grant under its oversight, it may apply to the Secretariat for up to \$43,000 annually, to be taken from a special Secretariat-administered fund, not from the grant. This money may be used to cover various specified CCM administrative costs, but not for vehicles and not for salaries of CCM members. All CCM members must sign the application specifying how the funds will be used. Full details are provided in the new CCM Guidelines. [See Decision Point 19.]
11. Secretariat 2008 budget: The Board approved a 2008 Operating Expense budget for the Secretariat (plus LFAs) of \$177 million, up from \$76 million in 2006 and \$131 million in 2007. This includes an allocation for 426 full-time-equivalent staff, up from 312 in 2007. The increase from 2007 is a response both to the increased volume of grant activity, and to the fact that current staff are over-worked. The budget was, of course, developed prior to the Board meeting. The various decisions made in the course of the Board meeting will drive the 2008 budget up to \$204 million. [See Decision Point 20.]
12. Transition from Administrative Services Agreement with WHO: The Board agreed that by the end of 2008, the Fund will terminate its Administrative Services Agreement with WHO. (Under the Agreement, WHO has been responsible for certain aspects of Global Fund administration. New procedures will be put in place that the Fund controls more directly.) [See Decision Point 21.]
13. Travel by people living with HIV: During the weeks leading up to the board meeting, a problem arose that nearly led to the meeting not taking place in China – the government of China unexpectedly updated its visa application form to include, for the first time, a question regarding whether the applicant was infected with HIV. After extensive discussions, the government of China informed the Fund that the new visa form was regretted, and that during 2008 the relevant law would be amended and would not restrict travel by people living with HIV or require them to declare their status. The Board then resolved not to hold future meetings in countries that restrict entry by people living with HIV or require prospective visitors to declare their HIV status. [See Decision Points 24 and 25.]
14. Global Fund and gender issues: The Board authorised the Secretariat to appoint one or more senior "Champions for Gender Equality" who will work with others to develop a gender strategy for the Fund, and will work with others on revising the Guidelines for Round 8 to encourage submission of proposals that address gender issues, particularly regarding the vulnerability of women and girls and sexual minorities. [See Decision Point 26.]
15. Other points: Other Decision Points dealt with key performance indicators (DP 13), responsibility for approving proposal forms (DP 15), occasional flexibility regarding Phase 2 timing (DP 16), quality assurance for multi-source products (DP 17), disclosure of reports by the Inspector General (DP 22), and the Fund's assurance framework (DP 23).

For further details and background papers, see www.theglobalfund.org/en/about/board/sixteenth.

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