



Independent observer
of the Global Fund

MAIN DECISIONS MADE AT MAY BOARD MEETING

On Tuesday and Wednesday (May 5-6), the Global Fund Board held its nineteenth board meeting, in Geneva, Switzerland. GFO was present, with observer status.

The main decisions made at the meeting were as follows. (For precise wording of what the Board agreed, see the Decision Points document at www.theglobalfund.org/en/board/meetings/nineteenth. Background documentation will also, in time, be posted by the Fund at the same location.)

1. Increased funding for CCMs: The Board agreed that with effect from the start of 2010, CCMs may apply to receive increased amounts of money to support their operations. At present, the Fund is willing to provide up to \$43,000 per CCM per year. This amount will increase to \$50,000. And under certain strict conditions, CCMs may be permitted to receive a significantly larger amount (possibly – though this was only stated verbally at the meeting, not in writing – up to about \$200,000 per year). To receive these larger amounts, CCMs will be required, among other things, to develop annual strategic objectives with work plans and related performance targets. CCM performance will be monitored through a transparent reporting mechanism and verified by LFAs where necessary. The precise policy to govern such funding will be developed by the Portfolio and Implementation Committee during the coming months, and is expected to take effect next January. [See Decision Point 20.]
2. Working Group to recommend how to handle shortages of Global Fund money: The Board is very concerned that the Fund is likely to have significantly less money than will be required for funding Rounds 9 and 10. It does not want a repeat of what happened at the November 2008 Board meeting, when members had to work through the night devising a policy to handle the financial shortages that arose as a result of the unexpectedly large size of Round 8. Accordingly, the Board established a thirteen-person Working Group, under the co-chairmanship of Peter van Rooijen and Sigrun Mogedal, to “develop a framework for managing the tension between resource demand and

supply in a resource-constrained environment,” and to propose options for “an increased and urgent resource mobilization effort.” The Working Group will consult widely, and will report to the Board before the November meeting, at which point Round 9 grants will be approved. [See Decision Point 26.]

3. Election of Chair and Vice-Chair of the Board: The Board failed to agree on who to elect as the next Chair. (For details regarding the failed election, see the Commentary article below.) The Board agreed to hold a postponed election for Chair and Vice-Chair no later than July 15. It asked the Implementing Block (defined in the Commentary article) to work hard to recommend one or more candidates for Chair from that group. If there is only one such candidate (which, it's clear, everyone would prefer), the election will take place by email. If there is more than one candidate, the election will take place at a special in-person board meeting, to be attended only by board members and alternates. The terms of office of the current Chair and Vice-Chair were extended until the election takes place. The leadership and membership of the current board committees will continue until after the November board meeting. A Board committee will review procedures for subsequent elections and make recommendations in a year's time. [See Decision Point 32.]
4. Enhancing the Fund's response to HIV/AIDS: The Board held an in-depth discussion on HIV/AIDS issues, mirroring similar discussions on TB and malaria at previous Board meetings. The discussion focussed in particular on HIV prevention, cost projections, resource mobilization needs, new technologies, prevention of mother-to-child transmission, and paediatric HIV issues. Some of these topics were referred to Board committees for further discussion. [See Decision Point 34.]
5. Strategy in Relation to Sexual Orientation and Gender Identities: The Board approved a strategy in relation to “Sexual Orientation and Gender Identities”. This strategy notes that men who have sex with men, transgendered people, and sex workers face challenges in being able to access or benefit from Global Fund grants. It outlines concrete actions that the Global Fund can take to address the vulnerabilities and needs of such people in the fight against the three diseases. [See Decision Point 7.]
6. Review of Board Committee structure: The Board agreed to make small modifications to the mandates, rules and procedures of its existing committees; to rename the Portfolio Committee to the Portfolio and Implementation Committee; and to establish an ad hoc Market Dynamics and Commodities Committee. The latter committee was set up because over fifty percent of Global Fund money is spent on the purchase of commodities, and the Fund would like to use this enormous purchasing power in a way that achieves better economies of scale. [See Decision Point 8.]
7. Executive Director as non-voting Board member: The Board resolved that the Executive Director shall become a non-voting member of the Board. In the past, the Executive Director attended Board meetings but generally only spoke when asked for information or an opinion. Now, he can take part more freely in the discussion. [See Decision Point 9.]
8. Terms of Reference for Chair and Vice-Chair of the Board: The Board agreed on TORs for its Chair and Vice-Chair. [See Decision Point 10.]
9. Additional non-voting Board seat: The Board, after many efforts to agree on this over the past year or two, resolved to add one non-voting Board seat to represent what it called the Partners' Constituency. Since the start of the Fund, there has been a non-voting board seat for UNAIDS, but not for organizations dealing specifically with TB or malaria. The new Partners' seat will be used by the Stop TB Partnership, Roll Back Malaria, UNITAID, and potentially others in the future. [See Decision Point 11.]
10. Technical Review Panel (TRP) composition: The Board increased the maximum size of the TRP from 35 to 40 members, added a second Vice-Chair, and chose some new TRP members. [See Decision Points 16 and 17.]
11. Actions to be taken when there is fraud or corruption regarding Global Fund grants: The Board made it clear that the Fund does not tolerate corruption, fraud, misappropriation or abuse of any kind in relation to its grants. Accordingly, it specified a range of actions that the Executive Director must take when the Inspector General has determined that there is credible and substantive evidence of such things having taken place. [See Decision Point 25.]

12. **Affordable Medicines Facility for Malaria (AMFm):**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 18 months ago to look into the Fund hosting the Affordable Medicines Facility – malaria (AMFm), formerly known as the Global ACT Subsidy. The idea is to help reduce the price for ACTs by negotiating with drug companies as well as by providing co-payments or subsidies to purchasers of the drugs. Six months ago, the Board approved a policy framework and implementation plan that was developed under the oversight of an Ad Hoc Committee of the Board and others, and asked the Secretariat to start hosting and managing the AMFm for an initial Phase 1 in a limited number of countries. At this week's meeting, the Board agreed certain further details regarding how Phase 1 will be run and evaluated. [See Decision Points 27 and 28.]
13. **Follow-up to the Five Year Evaluation:**The Technical Evaluation Reference Group (TERG) provides independent advice, assessment and oversight regarding the Global Fund's work on monitoring and evaluation. The TERG recently completed a Five Year Evaluation of the Fund and its work. The Board welcomed this evaluation, and asked the Secretariat to develop a plan for responding to and implementing the recommendations contained in the evaluation. [See Decision Point 29.]
14. **Partnership Forum 2008:**The Board assigned to its various committees responsibility for following up on the recommendations produced at the December 2008 Partnership Forum. The next Partnership Forum is likely to take place in early 2011. [See Decision Point 30.]
15. **Preventing treatment disruption:**The Board expressed concern at reports of actual and potential stock-outs of key drugs in various countries that have been purchasing these drugs using Global Fund grants. (Treatment interruptions of some drugs can be medically very harmful.) The Board asked the Secretariat to put in place various procedures for monitoring the situation. [See Decision Point 31.]
16. **Other points:**Other Decision Points dealt with an MOU with the Organization of Islamic Conference (Decision Point 5), extension of the contracts of some members of the Fund's Technical Evaluation Reference Group (TERG) (Decision Point 6), who may attend restricted sessions of the Board (Decision Point 12), timing for the determination of income level eligibility (Decision Point 13), affirmation that there are no exceptions to its rule that high-income countries are not eligible for Global Fund grants (Decision Point 14), the handling of a quality assurance review of certain medicines (Decision Point 18), the creation of increased flexibility in the setting of grant start dates (Decision Point 19), seeking greater cooperation from UNDP regarding audits and investigations where UNDP acts as Principal Recipient (Decision Point 22), rules regarding who may sign agreements on behalf of the Fund (Decision Point 23), and use of the Fund's Credit Suisse bank account (Decision Point 24).

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