Aidspan
Independent observer of the Global Fund

Main Decisions Made at the Board Meeting

On 13-15 December 2010, the Global Fund Board held its 22nd meeting in Sofia, Bulgaria. 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 document at www.theglobalfund.org/en/board/meetings/twentysecond. Background documentation will also, in time, be posted by the Fund at the same location.)

HSS funding requests: The Board approved a change to the funding architecture that will allow cross-cutting health systems strengthening (HSS) funding requests to be submitted separately in the rounds-based funding stream – i.e., they will no longer have to be attached to a disease proposal. (Previously, "stand alone" HSS requests were only permitted in Round 5.) The Board also approved some minor modifications to existing policies to allow cross-cutting HSS activities to be consolidated into single streams of funding. The Board decided that the requirement that all HSS proposals be consolidated proposals will be phased in. (Previously, the Board had decided that, starting in Round 11, all proposals have to be consolidated proposals. However, because a consolidated HSS proposal is more complicated than a consolidated disease proposal, the Board is exempting HSS proposals from this deadline.) Finally, the Board asked one of its working groups to develop eligibility and prioritisation criteria for cross-cutting HSS proposals in time for Round 11. [See Decision Point 4.]

Health systems funding platform: The Board approved modifications to some existing policies to allow for a pilot project to proceed. The pilot will involve the submission by 4-5 countries of health systems strengthening (HSS) proposals based on an assessment of a country's national health plan conducted jointly by the Global Fund and the Global Alliance for Vaccines and Immunisation (GAVI). It is very similar to the way that the Global Fund's national strategy applications (NSAs) work. The Portfolio and Strategy Committee (PSC) has already approved a design for the pilot. Applicants will be able to submit joint or separate funding requests to the Global Fund and GAVI. Requests to the Global Fund will have to emanate from a CCM.

[See Decision Point 5.] The pilot will be launched in early 2011.

Board chair and vice-chair: The Board decided that in future, the Board chair and vice-chair will serve in an ex-officio capacity with no voting rights; and any individual may be nominated for chair or vice-chair (not just existing Board members, as at present). For further details, see Article 2 below. [See Decision Point 6.]

Technical Evaluation Reference Group (TERG): The Board approved revised terms of reference for the TERG; extended the terms of two TERG members for a few months; mandated the Secretariat to seek nominations for new TERG members; and asked the TERG to assess its own independence and the independence of its support team, and to make recommendations for changes, if required. [See Decision Point 7.]

Eligibility, cost sharing and prioritisation criteria: The Board recognised the complexity of the review currently underway, acknowledged that further work needs to be undertaken, and asked the PSC and the Portfolio and Implementation Committee (PIC) to present recommendations for the next Board meeting. [See Decision Point 8.]

QA policy for pharmaceutical products: The Board approved a change to the quality assurance (QA) policy that would allow the Global Fund to continue to approve certain life-saving medicines that are not already prequalified by the World Health Organization (WHO) or a stringent regulatory authority, or for which applications for review have not been accepted by these agencies. The interim exception policy that had allowed for this was set to expire at the end of this year. The Board asked the Secretariat to explain in writing to grant recipients the implications of the termination of the interim exception policy, and the changes to the QA policy approved at this meeting. [See Decision Point 9.]

QA policy for diagnostic products: The Board approved a policy on quality assurance for diagnostics. The policy sets minimum standards for the quality of the diagnostics and use of the diagnostics, including product-specific requirements for HIV and malaria immunoassays. Product-specific requirements for CD4, viral load and TB molecular tests will be phased in as adequate review mechanisms become available. The Board asked the Secretariat to work with the WHO to (a) conclude an agreement under which the WHO will manage the technical evaluation of diagnostic products, including, if relevant, the establishment of an Expert Review Panel for Diagnostics; and (b) explore measures to ensure that PRs procure good quality malaria rapid diagnostic tests. [See Decision Point 10.]

Artemisinin-based combination therapy (ACT): The Board referred to guidance from the WHO to the effect that fixed-dose combination formulations (FDCs) of ACTs are strongly preferred to co-blistered formulations, and asked its Market Dynamics and Commodities Ad-Hoc Committee to recommend ways in which recipients of Global Fund money can best transition from FDCs to ACTs. [See Decision Point 11.]

Affordable Medicine Facility – malaria (AMFm): The Board extended Phase 1 of the AMFm by six months, to November 2012, due to delays experienced in getting Phase 1 underway. [See Decision Point 13.]

Tribute to Richard Holbrooke: The Board expressed its “shock and deep sorrow” at the recent death of U.S. Ambassador Richard C. Holbrooke. The Board said that in his position as U.S. Ambassador to the U.N., and later as the founding President of the Global Business Coalition against AIDS, Ambassador Holbrooke “played a ground-breaking role in ensuring that the world accepted HIV and AIDS as a threat to international security and global business, as well as being a humanitarian catastrophe.” [See Decision Point 14.]

Maternal, newborn and child health (MNCH): Referring to its decision at a prior Board meeting to accelerate funding for MNCH, the Board said that it encourages countries to strengthen the MNCH content of their programmes financed by the Global Fund; and it asked the Secretariat to develop clear guidance (Including indicators) for countries on how best to do this.

[See Decision Point 15.]

Strategic planning: The Board launched a strategic planning process that will produce a strategy covering the period up to the end of 2016, with a mid-point review in 2014. The Policy and Strategy Committee will coordinate the process. [See Decision Point 16.]

2011 operating expenses budget: The Board approved an operating expenses budget for 2011 of $324.7 million, an increase of 15.2% over the 2010 budget. Most of the increase is due to: (a) the effects of a falling US dollar (a significant portion of the operating costs are in Swiss francs); (b) the addition of seven new positions for the Office of the Inspector General (OIG); and (c) the creation of a contingency fund to cover unexpected increases in workload arising from OIG investigations. The Board gave the Secretariat the authority to manage foreign exchange transactions in a manner which minimises exposure to currency rate volatility. [See Decision Points 18 and 19.]

Amounts receivable: The Board decided that, in the interest of transparency, the Global Fund's annual report shall include the names of implementer organisations that owe money to the Fund, along with the amounts owing; and shall include the names of donors who are overdue in making contributions to which they have committed, along with the amounts owing. [See Decision Point 20.]

Privileges and immunities: The Board "reiterated the importance of states granting to the Global Fund such privileges and immunities as are necessary for the effective exercise of its functions and efficient use of its resources," and urged relevant stakeholders, including all Board members and their respective constituencies, to support, facilitate and promote this effort "with all deliberate speed." The Board considers this to be a serious issue for Secretariat and OIG staff, but to date only one country (Moldova) has granted Global Fund staff privileges and immunities. [See Decision Point 21.]

Comprehensive Funding Policy (CFP): The Board created a "Commitment Reserve" to ensure that there is always enough money to pay for grant renewals in any replenishment period, or other pre-determined period. Funds estimated to be required for renewals during the period in question will be "set aside" in the Reserve, and then a determination will be made concerning how much is available for new proposals. [See Decision Points 22 and 23.]

Promissory notes: The Board attached some conditions to the use of promissory notes by private sector donors seeking to contribute to the Global Fund. (The Board had decided earlier this year to permit the use of promissory notes.) The Board asked the Secretariat to establish a minimum cash policy to ensure that there is always enough cash on hand to cover six months of projected disbursements. [See Decision Point 24.]

Measures concerning future funding proposals: (1) The Board asked the Secretariat to examine the potential of in-country programme implementation being interrupted because of the decision to approve Round 11 proposals in about May 2012 instead of at the end of 2011, as originally envisaged (see next item). (2) The Board decided that, for Round 10, "additional commitments" (known as "Phase 2 renewals" under the old grant architecture) will be made in three tranches of one year each. (At a previous meeting, the Board had decided that additional commitments for all grants would be made in two tranches: an initial two-year period and a one-year period.) This measure is designed to provide the Global Fund with more flexibility in committing resources in the current replenishment period (2011-2013). At its meeting planned for May 2011, the Board may extend the three-tranches policy to additional commitments for Round 9 grants, if it believes that this measure will help avoid or minimise programme interruptions, or provide more flexibility in committing resources in the current replenishment period. (3) The Board decided to increase the limits on additional commitments for Round 8, Round 9 and the first learning wave of NSAs from 75% to 90% of the amounts of funding originally approved. (The Board had imposed the lower limit on Phase 2 renewals when it instituted austerity measures involving 10% cuts on the Phase 1 budgets of Rounds 8 and 9 proposals. The Board did not call for any cuts to the budget ceilings of approved Round 10 proposals.) (4) The Board asked the Secretariat to consider reductions in additional commitments in

instances where the performance of the grant has been poor. The Board said that where budgets are reduced, the Secretariat will work with CCMs and PRs to adjust performance targets accordingly. [See Decision Point 25.]

Launch of Round 11 and other funding opportunities: As reported in GFO 135, Round 11 will be launched on 15 August 2011, with a 15 December 2011 deadline for submission of applications. The second wave of NSAs will be launched in January 2011. The Health Systems Funding Platform pilot will be launched "on or about" January 2011. Funding decisions for all three streams will be made at the first Board meeting in 2012 (likely in May). New eligibility, cost sharing and prioritisation criteria – which the Board says it fully intends to adopt at its meeting in May 2011 – will apply to proposals in all three funding streams. The Board decided that Round 12 will be launched before the end of this replenishment period – i.e., by 31 December 2013 – and may be launched sooner if there is enough money. [See Decision Point 26.]

Approval of Round 10 proposals: The Board approved 79 Round 10 grants that will cost $1.73 billion over two years. GFO provided details of this decision in Issue 135, available at www.aidspan.org/gfo. [See Decision Point 27.]

Re-appointment of E.D.: The Board has appointed the Executive Director, Michel Kazatchkine, to a final term of three years to follow the initial term of four years that ends in May 2011. The Board noted that the performance appraisal of Mr Kazatchkine was "satisfactory." [See Decision Point 28.]

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