GFAN Call: 37th Global Fund Board Meeting Debrief,
16 May 2017

The Global Fund’s 37th Board Meeting took place in Kigali, Rwanda the first week of May. A number of important issues were on the agenda, including ongoing resource mobilization, selection of the next Executive Director, sustainability, transition and co-financing (STC), Wambo, and many others.

Speakers: Owen Ryan (Developed Country NGO Delegation), Rico Gustav (Communities Delegation), and Allan Maleche (Developing Country NGO Delegation)

Supplements:

- GFAN Board Meeting Report
- Joint report on the Sustainability, Transition & Co-Financing from Implementing groups (linked in GFAN Board Meeting Report)
- Developed Country NGO Delegation paper on Resource Mobilization (linked in GFAN Board Meeting Report)
- Global Fund Secretariat documents & new Strategy targets

Notes

Rico Gustav (Communities Delegation)

- Wambo – there have been concerns from CS focused on level of oversight that board has. Was initially not a separate decision point – now has one to expand current pilot. Want to make sure it actually works as it’s a flagship project, so they want to make sure there’s enough oversight. But Secretariat is expanding pilot without evaluation of first and there are no indicators yet. Indicators are need before transactions start.
- World Bank agreement – before 2012, dealings between UNDP and GF were ‘awkward’ because GF didn’t have full access to accounting books and had to
rely on internal audit assurance. Now that has changed thanks to civil society to push more open and transparent system as of 2012. WB arrangement sets precedent to go back to previous practices – that’s why Delegations voted against.

- Venezuela – difficult conversation and discussion on eligibility will take place on SC meeting in June. If DP passed it could open up eligibility policy - so initial decision point was not going to be passed by the board. Delegations decided to propose new DP that will not close the door to helping Venezuela and regional response but compromises on donors’ wish to not have precedence be open. DP focuses on working with regional multilateral agencies to respond.

- Noted there’s flexibility on country reallocation and matching grants and seems some FPMs have instructed countries to do that so that matching grants can cover gap in country allocation. Worried about that as it will distort overall portfolios and requested Board report back on flexibilities and how widespread they’ve been applied.

- Resource mobilization - no one was questioning plan except delegations. $478m still needs to be leveraged by September. This is disappointing and should be pushed harder before November board meeting that there’s a gap.

- In June, the Strategy Committee is going to have a conversation about eligibility and we need to pay attention to this. Need to look out for new data from GF proposals to formulate new argument. Mark mentioned something useful and scary – in 2019 is a replenishment year for everyone: GF, GAVI, etc. so it’s a recipe for disaster and anti-aid countries to make their arguments. Eligibility criteria would not be applied until 2019 with conversation ending sometime in 2018.

Owen Ryan (Developed Country NGO Delegation)

- Sustainability, Transition & Co-Financing
  - Increasing important issue for 3 delegations that have been pushing the board to be more rigorous to approach to STC.
  - Mike Podmore has been bringing together partners amongst implementing groups to create a common position paper on where we
need to go on STC. This helped create a backbone to what was taking place at board meeting.

- Had agreement from Board at last meeting that there would be regularly reporting. Was hoping for defined metrics at this board meeting, but details were more ad hoc. So, delegations pushed for more quantitative measures to see where countries are in their process. Hope that next committee meetings in June will address this.

- The paper did help shape broader conversation on innovative financing.
  The paper defines concrete steps to create strategy.

- Venezuela – was discussed at executive sessions and there was a good discussion at board on how to begin to surface concerns as we approach country and response scenarios outside of normal GF procedures and how to evaluate them. Delegations pushed hard for consideration of situation in Venezuela.

- Resource mobilization – Delegation wrote report and ensured at last meeting a decision point on RM planning. They were hoping for measurable, actionable response, but they didn’t get this. Sense in the room was that it’s an uphill battle. Some members want more defined set of milestones, tangible actions, etc., but other board members didn’t want this.

Allan Maleche (Developing Country NGO Delegation)

- Board selected new board chair and vice-chair. Civil society now needs to map out how to engage with new chairs.
- Also, appointed members to new committee that will start this month to find a new GF ED. Joanne Carter from CS Delegations is a member.
- Human rights and gender updates were not discussed because of time constraints, but Delegations pushed for this to be first at the next board meeting.
- Wambo – board agreed to new pilot program for procurement process. Do not yet know countries.
- Decision made around GF quality assurance – for diagnostic products that’s meant to be in line with WHO recommendations and guidelines.
• CCM Code of Conduct – was meant for decision, but just became a discussion. Were challenges expressed by civil society, government and donor delegations in terms of consultation for development of the document and issues on eligibility. Also advised for feedback from board to reengage in process. CCMs may want to have a look at this.

• Financial report approved – there have been good regular updates.

• Administration agreement with World Bank in DRC – approved, but Development Country delegation voted against because it opens up these types of agreements. However, decision was passed in the end.

• Approved KPI targets (sent around to GFAN previously)

• Need to lay evidence about transition.

• Principal recipients have signed on with minimum standards for human rights – need to be a clear balance on where to draw the line on this issue. CCM code of conduct – need to keep an eye on this and how it affects this.

• CS needs to encourage good candidates to apply to the ED position.

Peter van Rooijen (Developed Country NGO Delegation / GFAN Secretariat)

• Had asked for ambitious action plan, but there was some disappointment amongst Delegations on resulting RM action plan. It’s an effort that will result in only an additional $500m for this replenishment. More worrisome is that action plan didn’t reflect any idea or vision on GF being a thought leader in RM for global health. It has a catalytic role – so you’d hope there’s be more a vision and thinking about new partnerships to leverage strengths and mobilize more resources. Delegations made these points forcefully, but responses were weak.

• Mark in his farewell speech spoke about need to look into innovative financing mechanisms – user bonds, high-net-worth individuals, etc.

• DAC – 2.5% of ODA budget is provided to Global Fund. If GF commitment could go to 3% that could raise $2.3b.

Questions

David Bryden (RESULTS USA): on service equality – what are the issues around this such as OIG says scale-up of coverage = service is strained leading to lack of access to
preventative therapy and less retention. Quality indicators not included in performance frameworks.

- Owen: Conversation at board – Delegations raised this. OIG report is a great report on where GF is right now and they echoed comments on program quality. There was a mention by the OIG that program expansion and impact are difficult. This section in the meeting was short because of time but didn’t lead to much.
- Allan: Flagged determination to OIG – emphasized that they wanted an agreed management action between Secretariat and OIG on this issue and will follow closely at next board meeting. Concerns about expansion reducing quality.
- Rico: raised role of technical partners as it’s difficult for GF to oversee quality on the board. It’s important to look into ITP and the mainstreaming of this through portfolios and to see if this will improve quality. Other question about how GF manages its risk – this is typically on fiduciary risk but not necessarily on program quality. Trying to influence risk framework and to see if a better risk assessment can be put in place.

Erika, UCSS, Malaria Elimination: STC conversations – how was malaria represented particularly with eliminating countries?

- Owen: conversations was disease agnostic – it was about all diseases. But with catalytic work on malaria elimination this is a big focus in terms of measurement. The paper focuses on fact that there’s no framework to evaluate what’s going on.