GFAN Report: 37th
Global Fund Board Meeting
May 3-4, 2017
Kigali, Rwanda

Key Outcomes, Decision Points, Advocacy
Opportunities, and Issues of Interest for GFAN
Members from the Global Fund’s biannual Board
Meeting
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Context

GFAN’s Role

GFAN was invited as a Guest of the Chair to the 37th Global Fund Board Meeting in Kigali, Rwanda, on May 3rd-4th 2017, and to attend the meetings of the Developed Country NGO Delegation as a permanent observer. This report provides an overview of the Board Meeting process, key documents and important issues, and potential advocacy opportunities for civil society.

Key issues that were on the agenda for this Board Meeting included;

- Continuing resource mobilization
- Sustainability, transition, and co-financing (STC)
- Wambo.org
- The health situation in Venezuela
- Mark Dybul’s departure and the recruitment of a new ED

The Board

The Board of the Global Fund embodies the partnership approach to global health. In order to achieve the vision of a world free of the burden of HIV, TB and malaria, the Board is designed to incorporate leading stakeholders in an inclusive and effective way. The Global Fund’s guiding philosophy, and the day-to-day work of the Board, embraces shared responsibility and a strong commitment by all involved.

The core functions of the Board include:

- Strategy Development
- Governance Oversight
- Commitment of Financial Resources
- Assessment of Organizational Performance
- Risk Management
- Partnership Engagement, Resource Mobilization and Advocacy

The Board includes 20 voting members, with equal representation by implementers and donors. Non-governmental organizations, communities affected by HIV, TB and malaria, the private sector, and private foundations are also represented as voting members. In addition, there are eight non-voting members, including the Board Chair and Vice-Chair and representatives of partner organizations including WHO and the World Bank. Each member seat (voting and not) is represented by a constituency, and each constituency is headed by the Board Member, who is seconded by the Alternate Board Member. Each constituency also appoints a Constituency Focal Point, who is responsible for coordinating information sharing within the constituency.
The work of the Global Fund Board operates through three committees:

- Audit and Finance Committee
- Ethics and Governance Committee
- Strategy Committee

A Coordinating Group, led by the Board Chair, serves as a collaborative body to coordinate important business of the Board.

A Technical Review Panel performs independent evaluation of grant applications, and reports to the Board. A Technical Evaluation Reference Group performs independent assessments of the strategy and operational work, and also reports to the Board.


You can find a diagram of the Board and Supportive Structures here.

**The civil society process**

For 3 days before the Board Meeting, all 3 civil society (CS) delegations (Developed Country NGO, Developing Country NGO and Communities) held separate as well as joint preparatory meetings. For those who have never participated in a Board Meeting: the delegations meet – separately and jointly – ahead of time to determine what key interventions are needed: sometimes they agree to take those forward jointly, sometimes not.

Following that, the CS delegations have a series of meetings together and separately with various officials and other delegations of the Board (such as the donors, implementing governments, or constituencies such as Foundations and Private Sector) to raise and solicit support for the steps identified to address or move forward the key issues.

Sometimes, issues can be "resolved" through these series of meetings. Other times they are raised at various points during the Board Meetings. If the latter happens, the delegations can choose to put a Decision Point forward or amendments to DP's that are tabled by the Committees or other delegations.

**The documents**

The agenda, official report, Board decisions, and all other relevant documents for the Board Meeting can be found on the Global Fund website. Hyperlinks to documents related to items covered in this report are provided below in the relevant sections. All Decision Points are also posted on the website immediately after the Board meeting.
There were over 25 documents distributed for the Board Meeting and another 10 presentations (slide decks).

**Understanding the issues**
What follows below is a detailed summary that identifies some of the most relevant issues that have been discussed, comments made by the civil society and other delegations, and some of the possible advocacy follow-up opportunities.

*Please note: It is impossible to capture the detailed level of rich, complex and nuanced discussions that took place and developed throughout the week. This summary represents the GFAN Secretariat’s experience and interpretation of the meeting, and should not be considered an official or authorized accounting of events and positioning.*
Issues

Governance Oversight

Approval of the Board Leadership Terms of Reference & Appointment of the Board Chair and Vice-Chair

Background

Every two years, the Board appoints a new Chair and Vice Chair. A nominee for Chair is selected by the Implementers Group of the Board, and a Vice Chair nominee is selected by the Donor group. The two final nominees are then presented to the full Board for approval and appointment. Should either group not come to consensus on a single nominee, they may present the Board with multiple nominees to then be voted on by the full Board. You can read more about the mandate of the Chair and Vice Chair, as well as the full Board composition and membership structure in the Operating Procedures of the Board and Committees document.

Report on Issue

Rachel Ong from the Implementers Group and Brian Brink from the Donor Group chaired their respective nomination committees, and addressed the Board to present the final candidates and official nominees. The two final candidates for Chair were Aida Kurtovic (current Board Vice Chair) and Allan Maleche (Alternate Board Member of the Developing Countries NGO Delegation), and the final candidates for Vice Chair were Lennarth Hjelmaker (member of the Point Seven Delegation and Strategy Committee) and Ambassador John Simon from the US.

As part of the due diligence, background and reference checks were done on all candidates by independent actors, including conversations with the candidates to ensure there were no conflicts of interest of adverse information about the candidates that would keep them from moving forward. Verbal feedback was then provided to the nomination committees in advance of their nomination votes.

The final nominees presented to the Board were Aida Kurtovic for Chair, and Ambassador John Simon for Vice Chair.
Outcome of Board Deliberations

Two votes were held:
1 – Approval of the Terms of Reference for the Board Chair and Vice Chair
Outcome: All in favour, ToRs approved

2 – Election of Board Chair and Vice Chair
Outcome: Nominees elected unanimously

Relevant Documents
GF/B37/08
GF/B37/22

Selection Process for the next Executive Director

Background

As of May 30th, 2017, Dr Mark Dybul’s term as Executive Director of the Global Fund will come to an end. After the Board’s last meeting in November 2016, an ED Nomination Committee was formed, comprised of Board members, to begin the process of recruiting and hiring a new Executive Director, with the aim of having a final candidate identified and hired prior to Dr Dybul’s departure. Due to some challenges encountered earlier this year, the Board decided to not select any of the identified potential candidates, and start the process anew. In the meantime, Marijke Wijnroks, current Chief of Staff of the Global Fund, will act as Interim ED as of the beginning of June.

Report on Issue

The purpose of this session was to announce the new Executive Director Nominations Committee (EDNC), with the goal of having a new ED in place by the next Board Meeting in November 2017. Delegations were invited to submit candidates prior to the Board Meeting, and from the candidates submitted, a final group was chosen during an Executive Session of the Board1. Following the dissolution of ED hiring process earlier this year, a discussion regarding lessons learned was held during this Board Meeting.

1 An Executive Session is a closed meeting with only Board Members, Alternate Board Members, and Board Leadership present in the room.
and special mention was given to the need for the new EDNC to take ample time for due diligence with all potential candidates this time around.

### PROPOSED OVERVIEW OF 2017 EXECUTIVE DIRECTOR SELECTION PROCESS

<table>
<thead>
<tr>
<th>Step</th>
<th>Date/Time</th>
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<tbody>
<tr>
<td>Call for nominations for 2017 EDNC membership</td>
<td>April</td>
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<tr>
<td>Appointment of 2017 EDNC members, official launch of new ED</td>
<td>May Board Meeting</td>
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<tr>
<td>Request for proposals for executive search firm</td>
<td>May 8th</td>
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<td>Appointment of executive search firm</td>
<td>3rd week of May</td>
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<td>Enhanced due diligence and psychometric testing on short-listed</td>
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<td>candidates</td>
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<tr>
<td>First round of EDNC interviews (first half September)</td>
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<td>EDNC meets to initially review applications and candidates (end August)</td>
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<tr>
<td>Second round EDNC interviews (final list of candidates recommended)</td>
<td>Sept</td>
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<td>At October Board Retreat EDNC report is provided to Board; Board</td>
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<td>confirms (names &amp; CVs published after)</td>
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<td>Constituency engagement with final candidates (late Oct</td>
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<td>up to November Board Meeting)</td>
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<tr>
<td>Selection by Board of new ED (November Board Meeting)</td>
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**Outcome of Board Deliberations**

The new EDNC is:
Michèle Bocoz, Chair of the Nomination Committee;  
Vinand Nantulya, Vice- Chair of the Nomination Committee;  
Ala Alwan, Member;  
Sarah Boulton, Member, EGC Member;  
Joanne Carter, Member;  
Julie Essiam, Member;  
William Steiger, Member;  
Peter Felix, Independent Member  
Reinhard Tittel-Gronefeld, Independent Member

**Of Note / Interest for GFAN Members**

GFAN is very pleased to report that Joanne Carter, ED of RESULTS US and member of GFAN's Steering Committee has been named to the EDNC.

Furthermore, the Board officially added an additional step to the ED hiring process that GFAN members will be able to actively engage in. There will now be a “constituency engagement” aspect, wherein the final candidates will be expected to engage with civil
society and answer questions regarding their candidacy, similar to the calls GFAN hosted with two of the previous candidates in February of this year.

Relevant Documents

**Board Input to EDNC Selection Process**

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**Leadership Update**

*Update from the Executive Director*

**Background**

At each fall meeting of the Board, the Executive Director delivers a full written report, and then gives a simple update at each spring meeting. This is the ED’s opportunity to reflect on the Global Fund’s successes and challenges since the last Board Meeting, and outline some of the key priorities for the Secretariat team in the near future. It is not meant to be a full report of activities, but rather to highlight certain priorities. This being Mark’s last Board Meeting and final report to the Board, he focused on what he called mega-trends in global health and beyond that set the stage for and impact on the Global Fund’s work, now and in the near future.

A recording of his presentation will be made available via the GFAN website as soon as possible. The slide deck used for the presentation can be accessed via the link below.

**Report on Issue**

Mark opened his final report to the Board by thanking the government of Rwanda, the outgoing Chair and Vice Chair, the Board and Committee leadership, Marijke Wijnroks (incoming Interim ED), and congratulating the new Chair and Vice Chair elects. He then went on to discuss some of the biggest focuses and challenges that the Secretariat have been addressing, and will continue to address, including regularly reviewing the GF’s strategy and making sure that all work and priorities align with it, reorganizing the strategic objectives so that they are now the end goal and a part of all country team KPIs, strengthening Quality Assurance and Efficiency to help support maximized impact, portfolio optimization and identifying issue-causing blocks within countries, and shifting from implementation to impact, and implementation and impact through partnership, including having proper data to focus resources so we can see what really happens when we move resources, which will then teach us how to maximize impact.
Mark's presentation identified what he referred to as two "Mega Trends": STC, and Populations Growth, and what effects they will have on the Global Fund's work in the coming years. He also spoke to the importance of engaging young people, his enthusiasm for the Wambo pilot, and some of the questions we need to keep asking ourselves regularly: Are we still innovating? Are we growing? Are we engaging the people we need to?

Mark closed his update by saying that it's been an honour for him to serve as ED of the Global Fund, and that he looks forward to continuing to support the Fund and the Board in the future.

Outcome of Board Deliberations

All constituencies expressed their thanks and appreciation to Mark, and outlined what they see as some of the most pressing priorities for the coming years, including innovation, STC, the need to diversify funding, adolescents, RSSH, and the importance of keeping Mark engaged with the Board going forward.

Of Note / Interest for GFAN Members

GFAN members doing work around STC should be optimistic and excited by Mark's assertion that STC is a “mega-trend” for the Global Fund, as it shows a strong commitment to addressing issues being faced by transitioning countries and to developing more robust transition policies.
Commitment of Financial Resources


Background

Each year, the Global Fund Secretariat produces Consolidated Financial Statements and Statutory Financial Statements. These are then audited externally, before being presented first to the Audit and Finance Committee (AFC), and then to the full Board for approval.

Report on Issue

The Secretariat has prepared the 2016 Consolidated Financial Statements and the 2016 Statutory Financial Statements which have been audited by KPMG (the “External Auditor”). Following review and discussion of the presentation by the Secretariat and the External Auditor at the AFC’s 3rd meeting in March 2017, the AFC agreed to recommend the 2016 Annual Financial Report and the 2016 Statutory Financial Statements to the Board for approval. The 2016 external audit resulted in an unqualified audit opinion with no management letter points and audit adjustments.

In the same session, the Board was updated about the Global Fund Financial Performance and Financial Statements. Document GF/B37/29 (linked below) provides a 4-page summary. In response to the presentation, several delegations raised questions about the ongoing absorption challenges at country level that speak from the Financial Performance data. Mark Edington briefly spoke about the several initiatives - such as Impact Through Partnership - that the Secretariat has undertaken to address these concerns. He also reminded the Board that absorption now is at 90% which is considered quite successful, especially when compared to other funding mechanisms, but the Fund is committed to making this even better. The Developing Country NGO Delegation called for a substantive discussion on the absorption issues.
Outcome of Board Deliberations


Relevant Documents

GF/B37/02
GF/B37/11
GF/B37/29

Joint World Bank Investment and Oversight

Background

A paper was presented on whether the Global Fund should enter into an Administration Agreement with the World Bank as a co-funder (of approximately $10 million) a Performance-based Financing (PBF) Project in DRC. This arrangement would not grant the Global Fund access to books, records, personnel or sites relating to the PBF.

As a result, the OIG will not be able to provide the Board with assurance, whether through audit or investigation work, in the funds disbursed under this Agreement, and the Global Fund must place additional reliance on the World Bank's risk and assurance practices, audits and investigations with these specific investments. The Board confirmed and accepted this limitation but made clear that this decision will not set a precedent beyond this specific and unique case in DRC.

The Secretariat was also requested to develop a framework to guide future consideration of similar investments that might require waiving full access to information by the OIG.

Report on Issue

Mark Dybul explained that not accepting this exception means that the Global Fund creates parallel systems at countries with high overhead costs, which is in contradiction to donor alignment as agreed in Paris (and subsequently in Accra and Busan). He also explained that a "no"-vote will send a message to the WB that joint programming cannot be done with the Global Fund, other than via parallel systems. This could also harm future collaborative opportunities.
The OIG confirmed that the proposal on the table is the result of close collaboration between the GF Secretariat and the OIG. The OIG explained that there are other examples of access being limited, but since the OIG supports these kinds of transactions, and he expects that this might happen more often in the future, we should therefore discuss what type of governance model we would want to have in place.

The OIG made a plea for developing shared governance models to allow for similar arrangements in the future. The OIG confirmed that this does not set a legal precedent, but he acknowledged that this could de facto set a precedent; once you allow these special arrangements, others will come and ask for the same.

Outcome of Board Deliberations

For the most part, the Board was supportive of the proposed Decision Point, though with some concerns regarding the relationship with the World Bank. However, there was wide support for the framework and engagement in these types of joint mechanisms overall, and the Decision Point was passed. The Developing Country NGO Delegation voted against the Decision Point. You can read their intervention on this subject here.

Relevant Documents

GF/B37/03

Resource Mobilization & Commitment of Financial Resources

Continuing Resource Mobilization Efforts Throughout the Replenishment Cycle

Background

At its 36th Meeting, the Board unanimously passed a decision point (GF/B36/DP03) that called for an ambitious strategy for resource mobilization to present to the Board at its 37th Meeting. In response, the Secretariat created an Action Plan for Continuing Resource Mobilization throughout the Replenishment Cycle for the Board's review. The Plan outlines 12 "Strategic Actions" through which the Global Fund can achieve three goals for the 2017 – 2019 period:

- Ensure full conversion of pledges and mobilize additional resources of up to US$500 million over 2017-2019;
- Prepare the groundwork for a solid 6th Replenishment in 2020-2022;
- Explore and leverage potential new/innovative partnerships, sources of funds.
Report on Issue

The Developed Country NGO delegation has led the call for this Plan and shared the following statement in advance of the Board meeting with some of their concerns and recommendations:

The statement identifies a number of objectives, focus areas, targets, and strategic actions that are welcomed and supported. It seems, however, that the overall plan is very much focused on enhancing existing tools rather than exploring new and more ambitious approaches. In addition, explicit next steps and a costed plan to scale-up resource mobilization efforts are not defined.

More ambitious resource mobilization is particularly urgent given evidence that shows that some country allocations will not deliver sufficient resources to support prioritized scale up. In the first window of applications, several countries are already shifting high impact interventions, such as community based treatment support services that will actually ensure the success of treatment programs—to above allocation funding requests, because country allocations were too small.

The Developed Country NGO Delegation therefore raised the following concerns:

1. The original decision point requested an “ambitious action plan.” In its present form, they find the Action Plan lacks the level of ambition necessary to close the significant funding gap in the response to the three diseases. The goal of raising US$500 million in additional resources over three years is commendable, but also disappointing given the financial gaps that have been identified for this current term and in the response to these diseases overall. The Action Plan seeks to enhance existing mechanisms but does not suggest approaches that are truly bold and new.

2. As one of the world’s leading institutions in global health, the delegation urges ‘out of the box’ thinking and initiatives that reflect the Fund’s catalytic role in global health and position the Fund to be a thought leader in discussions on the future of ODA and domestic financing for health. In this context, the Global Fund should consider initiatives that build a more contemporary understanding of ODA and domestic investments in health within the broader framework of the Sustainable Development Goals. It is with this in mind that the Fund should also consider exploring innovative partnerships in resource mobilization. The leadership of the Global Fund and the World Bank, for example, could be invited to develop strategies aimed at leveraging joint investments in health that build on the strengths of both institutions. Doing so could significantly expand the pool of available resources to address shared health priorities.

3. One of the most intriguing aspects of the Plan relates to an approach to setting targets for donor contributions – an approach that builds on current practices and might provide a helpful entry point for discussions on benchmarking donor
contributions. A brief analysis is given that illustrates the share of net ODA OECD-DAC members have directed to the Global Fund through recent pledges. On average, OECD-DAC members contribute 2.5% of their total ODA budgets to the Fund. There is, however, large variation between countries. G7 economies tend to dedicate a higher share—slightly more than 3%. The plan notes that if all OECD-DAC donors increased their Global Fund commitment to 3% of their total ODA budgets, up to $2.8 billion in additional resources could be raised. Now that the Fund has matured and has developed a robust and credible replenishment mechanism, working towards bringing the relative commitments of donors to greater parity and unlocking such additional resources is an intriguing concept that requires further development in the Action Plan.

4. The Action Plan also points to the responsibility of the Board to address its governance model. The OIG notes in his Governance Review Advisory Report that the Global Fund’s “resource mobilization efforts will face growing pressure to capture the untapped potential presented by non-DAC members.” Exploring new donor roles—such as regional donorship—and making space for new or alternative ways of donor engagement are untapped issues in the Board.

5. There is broad agreement that the Sixth Replenishment will be challenging. The Action Plan points to the need for investment in building a civil society and political advocacy support base for the Global Fund, as well as country-specific media and communication strategies in order to increase awareness about the three diseases and the Fund in BRICS and other G20 countries (Strategic Action 9). The delegation supports this initiative but would like to also emphasize that this is equally true for current donor countries where there is an existing, though often times fragile, advocacy base. It should also be highlighted that the absence of broader political and public knowledge about the ‘Global Fund’ (and therefore, the lack of a branding strategy) poses an ever-increasing serious risk.

6. Finally, they note with concern that the External Relations Division’s resource allocation has been flat-lined since 2012. The effective implementation of the Board’s call for an ambitious Action Plan will require investing accordingly and therefore suggest the AFC present to the Board a costed Action Plan that includes investments that will enable the full implementation of an ambitious Plan at the next Board meeting.

Building on the above, the delegation shared the following recommendations and suggestions for strengthening the Resource Mobilization Action Plan:

1. Secretariat and the AFC are strongly encouraged to review the merit and potential of using a “3% of net ODA contributions to the Global Fund” as a benchmark in the upcoming replenishment strategy.

2. It is suggested to the Board to request the incoming ED of the Global Fund and the leadership of the World Bank to develop a joint strategy for ATM and related investments in health and community systems—investments that
leverage the comparative strengths of countries, and of both institutions, to significantly increase available resources for these critical areas.

3. The Delegation calls for a revised and costed Action Plan to be presented at the 38th Board meeting.

Outcome of Board Deliberations

Delegations welcomed the Action Plan, but many, aside from the civil society delegations, felt that the additional US$500 million ask was already ambitious enough, and that the suggested 3% from donor countries did not seem feasible. The Private Sector delegation called for a more ambitious plan for innovative financing, and both Private Sector and Private Foundations supported the ask for better insight into the needed investments. A number of delegations, including those representing implementer countries, noted the lack of domestic resource mobilization (DRM) in the Action Plan.

Of Note / Interest for GFAN Members

Overall the responses from donors were not hopeful in terms of the opportunity for increased contributions; most donors found the $500 million already ambitious. Some even asked for prioritization (meaning, we should not assume we can achieve everything in the Action Plan). However, there was a willingness expressed to look at how much the Secretariat is able to invest in their resource mobilization efforts, in recognition that we can't expect to raise more money without investing more in the process.

In their closing remarks, the Secretariat noted that the level of ambition is confirmed, and that they will come back to the Board with a costed plan (as part of Secretariat’s 2018 budget). They also recognized the importance of advocacy and the risk of underfunding, and highlighted the risk of dependency on the Gates Foundation for funding advocacy activities, which was seen by some as a subtle plea to other donors to start supporting Global Fund advocacy.

From a GFAN perspective the discussions were somewhat disappointing. There was no real ambitious spirit shared. The GFAN Secretariat will further explore the value and usefulness of the “3% of net ODA for the Global Fund” concept as a potential benchmark that GFAN members could jointly campaign for.

Relevant Documents

GF/B37/28
Amended Policy on Restricted Financial Contributions

Background

The Global Fund has a framework for restricted financial contributions (adopted in 2007) that provides private sector donors and some public mechanisms the ability to direct contributions towards Board-approved grants and Secretariat activities. Since this stream of funds is limited compared to the public donor contributions, a robust pool of unrestricted funding for programs is guaranteed. The framework was revised in 2014 to allow eligible donors to restrict contributions towards a country's unfunded quality demand (“UQD”).

To be able to continue mobilizing increased resources, the Global Fund has identified a potential to raise up to US$140 million more during 2017-19 from private donors. A key enabler for realizing these opportunities for the Global Fund is a conducive policy framework for restricted contributions from private donors. Recent experience shows that private donor interest in contributing to UQD is not only driven by a specific geography or disease, but also by the possibility of supporting a specific area or intervention in the UQD register that overlaps with the donor's mission or cause. The Secretariat therefore suggested amendments to the framework that provide the flexibility to allow for this earmarking. The Secretariat argued that these partnerships generate impact beyond financial gains only, including increased advocacy and visibility for the Global Fund and its mission.

Report on Issue

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Outcome of Board Deliberations

All delegations expressed their support for the Decision Point, and agreed that the donor base must be expanded and diversified. Some concerns were raised regarding...
allowing donors to restrict their funds to a single disease, region, etc could be a slippery slope, as well as the need to formally define the term "private donor", and questions around conflicts of interests and whether NGOs who receive public funds could also contribute funds and influence Global Fund spending. The Board approved the DP, and AFC leadership promised to get back to the Board on the concerns raised.

Relevant Documents

GF/B37/04

Strategy

Sustainability, Transition and Co-Financing Update

Background

The Global Fund defines transition as 'the process by which a country moves towards fully funding and implementing its health programs independent of Global Fund support.' It is aiming to improve the sustainability of programmes through moving progressively from external-donor financing toward domestically funded health systems that deliver results.

The 2017-2022 Global Fund Strategic Framework includes a specific sub-objective committing the Global Fund to 'support sustainable responses for epidemic control and successful transitions'.

According to the Global Fund's Eligibility Policy, once a country reaches Upper Middle Income status, it is no longer eligible for funding if there is less than a high disease burden. The Eligibility Policy allows for up to one allocation of Transition Funding following their change in eligibility.

The Global Fund provides specific funding request tools tailored to transition which aim to support the move to sustainability and transition-related priorities identified through a transition readiness assessment, and the development of a transition work plan. 
Report on Issue

A slide deck (link below) was shared and presented by Matt MacGregor. Matt coordinates the team in the Global Fund Secretariat that coordinates the implementation of the Sustainability, Transition and Co-Financing Policy. Mark Dybul referred to STC as one of the “mega-trends” in the current timeframe. The slide below summarizes the work entailed:

The presentation pointed out many efforts and areas of capacity building needed for the GFS to do its work properly, including GFS staff and the TRP. The important role of partners was highlighted and UNAIDS, OSF, USAID and the World Bank were mentioned specifically.
Outcome of Board Deliberations

A paper on STC was prepared by a working group (chaired by Mike Podmore) with substantial contribution from Developed, Developing, Communities, and EECA Delegations. It was endorsed by the entire Implementing Group and was presented to the Board. A Summary is provided below, as well as the link to the full document with 14 recommendations. The recommendations focus on four areas:

- STC Policy Monitoring and Evaluation
- Beyond Allocation Sources of Funding for STC
- Eligibility
- Procurement and Supply Chain

There was broad support and appreciation for the work that the Secretariat reported on. It was highlighted that the first windows of funding requests (>70% of the new funding requests are expected in 2017) must be fully used by applicants to include and address the necessary elements of preparations for and/or implementation of transitions. TRP flagged in a presentation before the Board that this is not always the case yet. Board members also called for swift implementation of the strategic initiative on transition so that countries can fully benefit from this while preparing their proposals.

EECA pointed to the fact that often countries that may have transition plans do not have a budget linked to this, which points to the urgent need for domestic resource mobilization.

Others pointed to the inherent tension in the policy; on the one hand we want successful transitions (but need to define what success is) and on the other hand we only give a short period of time for this. There was therefore a lot of interest in regular reporting so that "we can get it right", to keep an eye on risks involved, to actively support civil society and work on innovative financing and domestic resource mobilization to address funding needs.

Lucica Ditiu from the Stop TB Partnership passionately made the point that “STC may be a mega-trend, but it can also become a mega-mess,” referring to the very many experiences with processes taking time and are often very complicated (she mentioned Romania among others).

Of Note / Interest for GFAN Members

GFAN members and partners have been very actively engaged on issues related to STC for a number of years now, and your work and input factored heavily into the paper prepared by the working group and submitted on behalf of the Implementers Group. STC has been identified by Mark Dybul as a “mega-trend” within the Global Fund, and it
is clear that it will continue to be a pressing issue in the years to come, thanks in no small part to all the work done by advocates to keep this on their agenda and ever-present in all conversations.

Relevant Documents

GF/B37/17
Implementers Group Paper on STC
Implementers Group STC Summary

Wambo.org: Progress Update and Steps for Advancement

Background

Wambo.org is an innovative tool developed by the Global Fund to grant increased access to quality-assured, affordable health products to countries. Wambo.org is an online, easy-to-use purchasing platform designed to provide greater visibility on product availability and the lowest possible prices for a growing number of product catalogues. Wambo.org gives Principal Recipients of Global Fund grants direct access to thousands of health-related products and pharmaceuticals. It gives in-country procurement teams the power to search, compare, purchase and track the delivery of transparently priced, quality-assured products. It can improve market visibility, simplify orders, and improve delivery time.

Wambo.org is open to all recipients of Global Fund grants. Those with substantial long-term requirements will benefit from economies of scale of the Global Fund’s purchasing power, with prices for key products negotiated through our long term agreements with suppliers.

Wambo.org also offers many benefits to suppliers, including:

- Increased market exposure for innovative, new-to-market global health products
- Direct and guaranteed payment
- Standardized purchase-to-pay processes that reduce inefficiencies
- Decreases in order lead time

Ultimately, the plan is to expand use wambo.org to all users with external sources of funding. As a vehicle for knowledge transfer in procurement and as a driver of value for money, it will support efficient and sustainable domestic health investment. Wambo.org supports the Global Fund’s focus on achieving ever greater impact for investments in public health to accelerate the end of HIV, TB and malaria as epidemics. Through partnership and innovation, we are able to leverage advances in technology and economies of scale to provide better value for money in health spending.
Report on Issue

The meeting was running over time by one hour, so it was decided to skip the formal presentation and go straight to introducing the decision point. The Secretariat acknowledged that there were many issues that the paper didn't address, but thanked everyone for their collaboration on bringing it forward, and expressed the excitement coming from implementer countries about the pilot. The Secretariat will be able to report on Wambo's impact on cost, increased access, etc at future Board Meetings once the pilot has been launched.

Outcome of Board Deliberations

The Developed Country NGO Delegation introduced a friendly amendment to the Decision Point (in red):

1. Accordingly, the Board:
   i. Requests that the Secretariat to: i) provide to the Strategy Committee, by its next meeting clearly defined draft indicators of success for the pilot; ii) report regularly to the Strategy Committee on the operationalization of this pilot, including any lessons learned from such transactions in light of the long-term perspective for wambo.org

All delegations expressed their support for the Decision Point, including the friendly amendment, and said they are happy to be seeing the pilot for Wambo moving forward. UNITAID said that they are happy to be a co-funder of Wambo along with the Global Fund, and look forward to the early scale-ups of new innovations that it will help facilitate. The Developed Country NGO Delegation thanked the Strategy Committee for viewing their amendment as friendly, and said they felt it was important to emphasize that Wambo should be considered as only one component of a broader Global Fund strategy on procurement, particularly for transitioning countries. The Secretariat then reminded everyone that Wambo is voluntary, so no countries will be forced to use it, but that there is definitely enthusiasm surrounding it at the country level, and they consider it to be a useful tool in the transition agenda.

The Decision Point passed, with no objections and one abstention.

Of Note / Interest for GFAN Members

The GFAN Secretariat will be very keen to hear from any members in countries where the Wambo pilot is going to be implemented, to see what sort of impacts (positive or negative) it has on supply chain, access, cost, and overall effectiveness of the program.
Relevant Documents

GF/B37/07

Update and Discussion on Health Situation in Venezuela

Background

The Board and Strategy Committee have asked the Secretariat to proactively identify issues related to achieving the Global Fund mission of ending the epidemics of HIV, TB and malaria and where the Global Fund could contribute to impact. Under that guidance and in light of discussions and requests made from partners, the Secretariat is bringing the issue of Venezuela to the Board for discussion and direction on next steps.

The protracted economic crisis in Venezuela has severely affected its overall health system, including HIV, TB and malaria programs. Currently Venezuela, declared malaria-free by WHO in 1961 (Northern Part of the country), is experiencing a significant resurgence in malaria. Current estimates indicate that the 240,000 new malaria cases account for more than half of all cases in the Americas and has the potential to affect gains made in neighboring countries. Stock-outs of ARVs and TB drugs, including but not limited to antibiotics, antivirals, HIV and viral load tests, condoms and other products could impact the approximately 110,000 people living with HIV/AIDS, and increase TB incidence.

Report on Issue

Despite continued engagement with the Pan American Health Organization (PAHO) and UNAIDS, who are the Global Fund’s main interlocutors for the health response to Venezuela, the Secretariat currently has insufficient information to recommend a decision on potential financing to the Board. The Secretariat presented the paper linked below to the Board for guidance, before proceeding to further evaluate or develop options, given the significant Board exceptions that would be required.

The paper linked below provides background on the situation in Venezuela, a preliminary potential option to provide support, including recommended conditions and further information that would be a prerequisite for any potential recommendation to provide support, and the potential exceptions to Board policies that would be required.

Secretariat is requesting the Board’s direction on whether the Secretariat:

1. should continue gathering information and potentially pursue negotiations with PAHO to present, for future approval, an option for providing funding for Venezuela; or
2. cease discussions if the Board is unlikely to grant the necessary exceptions to existing policies, such as the Eligibility Policy and as otherwise described below.

**Outcome of Board Deliberations**

After long discussions, mostly in executive session, a new decision point was presented by the Chair of the SC. Discussions focused on the eligibility and how to respect our current policies but move forward as a “passionate entity”. In the end there was a desire to not completely close the door and not to leave the Secretariat without guidance.

The core of the new DP is that “the board directs the SC and Secretariat to discuss exceptional circumstances in non-eligible countries as part of the ongoing review of the Eligibility Policy.” It was mentioned that a letter from civil society in Venezuela was just received by the Board and circulated.

The Communities Delegation made an emotional plea to the donors of the board, seconded by the Developing Country NGO Delegation, to consider supporting people living with the diseases in Venezuela.

The Decision Point was approved.

**Of Note / Interest for GFAN Members**

The weight and importance given to this issue at the Board level is in large part thanks to the immense pressure that civil society members have been maintaining in recent months. While the Board was not in a position to make any concrete funding recommendations, their approval of the Decision Point presented is very promising and GFAN will continue to engage with civil society and partners on the ground to keep members informed of the situation. The crisis in Venezuela will continue to be central to important discussions surrounding what role the Global Fund should have in addressing resurgences of the three diseases in non-eligible countries.

**Relevant Documents**

[GF/B37/21](#)

**Policy on Quality Assurance (QA) for Diagnostic Products**

**Background**

At its Third Meeting, the Strategy Committee reviewed the proposed revisions to the Global Fund Quality Assurance Policy for Diagnostic Products (the “QA Policy for Diagnostics”). These revisions are necessary in order to reflect: (i) new WHO
recommendations or guidelines and (ii) the Global Fund policy on co-infection and co-
comorbidities that the Board adopted in 2015.

Without these revisions, there is a risk that non-quality assured diagnostic products are
procured with grant funds and Global Fund policy would be misaligned with current
normative guidance and guidelines.

The current QA Policy for Diagnostics does not clearly delineate when modifications or
amendments to the policy can be approved by the Secretariat, the Strategy Committee
or the Board. As such currently all modifications to the policy must be recommended to
the Board through the Strategy Committee in line with Section 2.2 (f) of the Charter of
the Strategy Committee. Noting the need to be able to update the policy to adapt to
changes in normative guidance or incorporate future Board decisions, the Secretariat
recommends delegating decision-making powers to the Strategy Committee to review
and approve certain modifications to the QA Policy for Diagnostics.

Outcome of Board Deliberations

The Board approved the amended and restated GF Quality and Assurance for
Diagnostic Products.

Relevant Documents

GF/B37/06

Funding Model Implementation Report on the 2014-2016 Period Business Model
Update

Background

Report on Issue

For this agenda item, only a slide deck was shared and presented. The deck (linked
below) has a lot of interesting information on the results of the grant-making process so
far and provides an outlook for the coming years.

For this coming replenishment cycle (2017-2019) the Global Fund Board has allocated
US$10.3 billion. In his opening (and farewell!) remarks the Executive director mentioned
that Secretariat’s estimate of the disease split as shown below will allow for the Fund to
achieve its strategic targets.
As shown in the slide below, the GF Secretariat expects a high proportion of funding requests will be reviewed in 2017, and expects the percentage of grants signed in time to increase from 43% (2014-2016) to 70% (2017-2019).
Overview of end-2016 Corporate Key Performance Indicator Results

Background

Since the first Key Performance Indicator Framework was approved in 2004, the Global Fund has maintained its commitment to monitoring its performance. Multiple independent reviews and evaluations of the Frameworks since then have helped sharpen focus and strategic alignment. Over this period, the measurement focus of the Global Fund has shifted from project-level goals to a higher level focus on mission and impact. With this emphasis on impact, the Global Fund is one of many partners working in collaboration with implementing countries to build a sustainable response to ending the epidemics.

As the strategic focus of the Global Fund has evolved, so has the focus of the KPIs. With the increasing complexity of the global health landscape, measuring performance has become ever more challenging. A cascaded, logically-linked framework of indicators for performance management becomes a vital instrument for governance and management to drive and monitor achievement of the organization's mission.

Report on Issue

A slide deck was presented and discussed on the end 2016 results of the Corporate Key Performance Indicators (KPI's). The slide below summarizes the results:
The link to the slide deck below provides the detailed results per KPI.

As outlined in the slides, we are on target to achieve the anticipated level of lives saved. The HSS indicator has continued to underperform, mainly due to a lack of ability to get the data from the countries. When we do get the data, the results are phenomenal. Interestingly, no risks/violations of human rights have been reported. The Secretariat has commissioned a study to figure out why that is.

We are unlikely to hit targets on PMTCT, ART coverage for HIV+TB coinfection:
- PMTCT - more than 50% of shortfall comes from just 2 countries
- ART retention - 3 countries make up 80% of the shortfall

Outcome of Board Deliberations

The delegations expressed their thanks to the Secretariat team for this work that they did alongside the Board working group.

The Communities Delegation stated that the Secretariat needs to make deliberate efforts to ensure that the CCMs understand what we mean by HSS, as it’s clear that there is some misunderstanding that could be leading to the lack of reliable data.

EECA said that they would like to see more data on absorption rates, and the German delegation would like to see the assessments go beyond just the three diseases. The USA also pointed out that some of these issues, such as PMTCT, are epidemiologically
based, and also show true program implementation issues, so there is a need to work together to find the gaps and figure out how best to address them.

The Secretariat then responding saying that they looked at a number of different ways of collecting data on HSS to try to resolve issues, and that they are also conscious of the fact that there are 5 surveys sitting within MOHs waiting to be signed off on, for years on end, that are also contributing to the lack of data.

**Of Note / Interest for GFAN Members**

While wading through the data can seem like a somewhat daunting task, results from the KPIs are incredible important to our advocacy work. Being able to tangibly see where Global Fund programming is falling short and which targets aren't being reached helps inform our campaigns and focus in our efforts as necessary. For example, as outlined in the slides (link below), we are falling short on KPI 2, with specific underperformance on PMTCT and HIV/TB measures. This can easily be linked to the underperformance of KPI 5: Health System Strengthening; as we know, in order to properly align and integrate service delivery across the diseases, we must strengthen the systems in place delivering those services.

The KPIs also make a fantastic case for investment for donors, particularly through KPIs 9 and 10, for example, which show that the Global Fund is reaching its targets on Effective Operational Risk Management and Value for Money.

**Relevant Documents**

[GF/B37/26](#)
Conclusions and Next Steps

A recurring theme throughout the meeting was one of transition – transition from Mark Dybul to a new Executive Director, transition to a new way of procuring health products (Wambo), transition to working in an ever-changing global political climate, and, most notably, countries in transition and the Global Fund’s ongoing role in the health and well-being of their people.

This report covers a majority of the issues discussed over the two days in Kigali, with only a few exceptions, omitted mainly due to their relevance to GFAN members. Other agenda items covered included the Annual Opinion of the Ethics Officer (GF/B37/10, GF/B37/12, GF/B37/13, GF/B37/27), the 2016 Inspector General Annual Report & Annual Opinion on Governance, and Risk Management & Internal Controls of the Global Fund, the Annual Risk Report and 2016 Assurance Statement on Risk Management, and the Country Coordinating Mechanism (CCM) Code of Conduct (GF/B37/05).

Also on the agenda but not covered in this report (and of interest to GFAN members) is the Annual Report on Community, Right and Gender (CRG) (GF/B37/18). Due to a number of other agenda items running late, the CRG discussion kept getting pushed back, until a decision was made in Executive Session to postpone the discussion to a later date, rather than not give it the proper amount of time and attention that it deserved at the end of the 2nd day.

In terms of next steps, GFAN will continue to engage with the civil society delegations to the Board to keep members informed on any further developments, including the upcoming discussion on the CRG platform. We will also be following the ED hiring process, and coordinating opportunities for civil society to interface with the final candidates, to ensure that there is adequate buy-on from all interested GFAN members in the process.