



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Twenty-Third Board Meeting
Geneva, Switzerland, 11 -12 May 2011

Plan for Comprehensive Reform: Value for Money

Decision Point GF/B23/DP9:

1. The Board recognizes that the Global Fund is well-positioned to drive value for money and should leverage its role as the primary financier of essential health products so as to improve quality, price, design, and sustainable supply. In this context the Board asks the Market Dynamics Committee to propose to the Twenty-Fourth Board meeting expanded uses for the MDC's "toolkit" of interventions-including opt-out mechanisms.
2. When value for money efforts generate savings, the normal consequence is that such savings should stay in countries to scale up efforts against one or more of the three diseases.
3. In order to drive value for money, the Board requests the Secretariat to:
 - i. Take all necessary and appropriate measures to (1) fully implement voluntary pooled procurement (VPP) and (2) aggressively execute the Market Dynamics Committee recommendations.
 - ii. Work with the MDC to determine reference prices to establish maximum levels of Global Fund payments for appropriate products. Reference prices should be set at the lowest accessible competitive price consistent with well-functioning and sustainable markets, recognizing differences according to country income and disease burden.
 - iii. Set limits on how much support the Global Fund will provide in categories of expenditure where there is a risk of overuse or inefficiency ("yellow light" items, e.g., vehicles).
 - iv. Work proactively with Principal Recipients (PRs) and Country Coordinating Mechanisms (CCMs) to use reprogramming within countries to ensure increased use of cost-effective interventions to maximize health impact. The Secretariat should incorporate guidance from technical partners to help guide this reprogramming.
4. In the context of reporting to the Board on the Global Fund's portfolio and its impact on the three diseases, the Secretariat is asked to provide an annual report on its value for money work, including quantified results in terms of savings and additional coverage or impact.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Twenty-Third Board Meeting
Geneva, Switzerland, 11 -12 May 2011

Global Fund Market-Shaping strategy and Market-Shaping Interventions for ARVs

Decision Point GF/B23/DP21:

Part 1 - Key principles of Market-Shaping Strategy

1. The Board acknowledges the critical role of the Global Fund in shaping markets to maximize global access to health products in accordance with the applicable Global Fund quality assurance requirements at affordable and sustainable prices and further emphasizes its desire for the Global Fund to more actively shape the markets for health products to optimize price, quality, design, and sustainable supply.

Part 2 - Market-shaping strategy

2. The Board approves the market-shaping strategy of the Global Fund set out in Annex 1 to the Report of the Market Dynamics and Commodities Ad-hoc Committee ("MDC") to the Board (GF/B23/9 Revision 1) ("Market-Shaping Strategy"). The Board requests the MDC to oversee the refinement and implementation of the Market-Shaping Strategy, including through relevant non-material changes to Annex 1.

Part 3 -Market-shaping interventions for Anti-Retroviral medicines (ARVs)

3. The Board approves the strategic interventions for ARVs in accordance with the Market-Shaping Strategy ("Strategic Interventions") as recommended by the MDC and described in Annex 1 to the MDC Report to the Board (GF/B23/9 Revision 1).

4. The Board requests the Secretariat to implement the Market-Shaping Strategy and relevant Strategic Interventions under the oversight of the MDC. The Board requests that an implementation framework and appropriate policies and procedures be developed to effectively implement the Strategic Interventions with appropriate consultation. The Board requests the MDC to report back on progress at the Twenty-Fourth Board Meeting.

5. Recognizing the risk of supply disruption to pediatric ARVs for certain Global Fund grant programs due to the phase-out of the UNITAID pediatric ARV program, as identified by the MDC and outlined in Table 1 of the MDC Report to the Board (GF/B23/9 Revision 1), the Board requests the Secretariat to prioritize the implementation of the Strategic Interventions set out in Section 5.2.2 of the Market-Shaping Strategy. Further, the Board requests the Secretariat, in consultation with UNITAID and other relevant partners, to facilitate the provision of support to principal recipients to sustain pediatric ARV treatment. The Board further requests the Secretariat to prioritize the execution of the appropriate policy and procedural changes to enable the Secretariat to use the Voluntary Pooled Procurement mechanism ("VPP") to strategically manage demand for pediatric ARVs to ensure the consistent and timely availability of these products purchased through the VPP.

6. The Board requests the Secretariat and MDC to provide an update on progress in refining and implementing the Market-Shaping Strategy and the Strategic Intervention for ARVs at the Twenty-Fourth Board Meeting. The Board also requests the MDC to oversee an independent evaluation of the strategy after an appropriate period of implementation.

Part 4 - Budgetary Implications

7. The Board recognizes that implementation of the proposed Strategic Interventions for ARVs have budgetary implications for the Secretariat's operating expenses budget starting in 2011 as described in Table 1 of the MDC Report to the Board (GF/B23/9 Revision 1). The estimated implications for 2011 amount to USD 350,000 for provision of market-shaping tools and implementation of Strategic Interventions, including 4 Full Time Equivalents ("FTEs") starting on or about October 2011.

8. The Board requests the Finance and Audit Committee ("FAC") to consider and approve the budgetary implications of this Decision Point within the framework of the 2011 administrative budget review, which is scheduled for June 2011.

9. The Board further requests the FAC to consider the budgetary implications of market-shaping strategies including the continued cost of the 4 FTEs for 2012 and later years as part of the regular budgeting cycle.

Part 5 - MDC authority to approve implementation of subsequent Strategic Market Interventions

10. Recognizing the MDC's technical competency, the Board authorizes the MDC to approve the implementation of other Strategic Interventions for health products procured using Global Fund financing, without requiring further approval or authorization from the Board, provided that such Strategic Interventions:

- a. will not increase the Operating Expenses Budget of the Global Fund beyond the matters referred to in Part 4 above;
- b. will not contravene, or require an amendment to, a Decision Point or policy approved by the Board; and
- c. are consistent with the principles set out in the Market-Shaping Strategy.

11. The MDC shall notify the Board through the relevant MDC Reports to the Board of:

- a. any subsequent Strategic Interventions approved by the MDC for implementation in accordance with this Decision Point; and
- b. the progress of the implementation of such Strategic Interventions, including the phase-out of Strategic Interventions in accordance with the Market-Shaping Strategy.

Part 6 - MDC Authority Extends to Any Successor

The Board agrees that at its Twenty-Fourth Meeting it will request the Policy and Strategy Committee to recommend a course of action about the continuation of the MDC. Consequently, the Board determines that the authority and responsibilities conferred on the MDC in this Decision Point as applicable, shall apply with such necessary and consequential changes to any successor body or panel that may be approved by the Board to replace the role and responsibilities of the MDC in respect of this Decision Point.

Signed:

Maksut Kulzhanov
Rapporteur

Paula Hacopian
Secretariat