

**Appointment of Rapporteur**

**Decision Point GF/B25/DP1:**

Mr. Alvaro Bermejo from the Developed Country NGO constituency is designated as rapporteur for the Twenty-Fifth Board Meeting.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**Approval of Agenda**

**Decision Point GF/B25/DP2:**

The agenda for the Twenty-Fifth Board Meeting (GF/B25/1) is approved.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**Approval of Report of the Twenty-Third Board Meeting**

**Decision Point GF/B25/DP3:**

The report of the Twenty-Third Board Meeting (GF/B25/10) is approved.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**Approval of Report of the Twenty-Fourth Board Meeting**

**Decision Point GF/B25/DP4:**

The report of the Twenty-Fourth Board Meeting (GF/B25/11) is approved.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**The Global Fund Strategy 2012-2016**

**Decision Point GF/B25/DP5:**

The Board refers to its decision on the Global Fund Strategy 2012-2016 Framework (GF/B23/DP14) and:

1. Approves the Global Fund Strategy Framework 2012-2016 (GF/B25/7/a) (the “Strategy Framework”), endorses in principle the Strategic Actions articulated in the Global Fund Strategy 2012-2016 (GF/B25/7/b) (the “Strategy Document”), and affirms its vision of a more vibrant and engaged institution working more closely with countries to achieve impact;
2. Requests the Secretariat to commence work to implement the strategy as set forth in the Strategy Framework and the Strategy Document; and
3. Requests the Strategy, Investment and Impact Committee to:
  - i. oversee the implementation of the strategy;
  - ii. review and recommend as appropriate any related changes in policy or operations that require Board discussion or approval (or refer other changes as appropriate to the Coordinating Group for attention by other committees); and
  - iii. provide the Board with a progress update on the implementation of the Strategic Actions at the Twenty-Seventh Board Meeting, and regularly thereafter.

*The budgetary implications of this decision will be addressed together with those related to the Consolidated Transformation Plan as part of the 2012 budgetary approval process.*

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**Approval of the Consolidated Transformation Plan**

**Decision Point GF/B25/DP6:**

1. To transform the Global Fund into a more efficient and effective organization, the Board approves the Consolidated Transformation Plan presented in the Board paper titled “Consolidated Transformation Plan” (GF/B25/4, Revision 1 and Attachment 1, Revision 1) to address and implement the recommendations of the High-Level Independent Panel (the “HLP”) that were adopted at the Twenty-Fourth Board Meeting and to integrate the Plan for Comprehensive Reform which was endorsed at the Twenty-Third Board Meeting. The Consolidated Transformation Plan sets objectives, deliverables and timelines to transform through the following elements:
  - a. Transforming Resource Allocation, Investment, Results Measurement and Evaluation;
  - b. Transforming Risk Management;
  - c. Transforming Grant Management including working with partners;
  - d. Transforming Secretariat Organization, Management and Culture;
  - e. Transforming Board Governance; and
  - f. Transforming Resource Mobilization.
2. The Board requests the Secretariat, the OIG and the Board Chair and Vice Chair to proceed with implementation, and to provide a comprehensive progress update at the two regular Board meetings in the 2012 calendar year.
3. A review to evaluate the success of the Consolidated Transformation Plan and identify any adjustments that may be required will be conducted after one year of full implementation. The results of this review shall be presented to the Board at its first regular meeting in the 2013 calendar year.
4. The budgetary implications of the Consolidated Transformation Plan will be part of the 2012 Operating Expenses Budget. The Board requests the Secretariat to provide, by 31 January 2012, a detailed costing of the Consolidated Transformation Plan based on the estimated funds, based on the principles of cost neutrality, specifying from which de-prioritized activities the resources will come.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

## **Governance Reform**

### **Decision Point GF/B25/DP7:**

The Board notes that:

- A. The Board Chair and Board Vice-Chair were requested by the Board to lead and oversee a governance reform initiative based on recommendations from the Comprehensive Reform Working Group at the Twenty-Third Board meeting. Drawing from an extensive consultation process, in September 2011 the Chair and Vice-Chair provided the Board with a summary of the emerging governance reform recommendations. These governance recommendations were further complemented by the release of the findings and recommendations of the High-Level Independent Review Panel.
- B. On the basis of these recommendations, a number of governance reform decisions were undertaken by the Board at its Twenty-Fourth meeting, including the replacement of the four standing committees with three new standing committees and establishment of a Coordinating Group comprised of Board and Committee chairs and vice-chairs.

To further transform the governance of the Global Fund, the Board decides as follows:

1. The Board approves the revised Bylaws of the Global Fund as set out in Attachment 1 to the paper titled 'Governance Reforms', GF/B25/5 ("the Board Governance Paper"), which shall supersede the existing Bylaws of the Global Fund as last amended by the Board on 2 March 2011(GF/B22/EDP/10).
2. The Board approves a Charter for each of the new standing Committees of the Board, namely:
  - a. the Strategy, Investment and Impact Committee (as set out at Attachment 2 to the Board Governance Paper);
  - b. the Finance and Operational Performance Committee (as set out at Attachment 3 to the Board Governance Paper); and
  - c. the Audit and Ethics Committee (as set out at Attachment 4 to the Board Governance Paper).

These Charters shall supersede the standing committees' terms of reference as last amended at the Nineteenth Board Meeting (GF/B19/DP8) and ad hoc committees' terms of reference.

3. The Board approves the Terms of Reference for the Coordinating Group as set out at Attachment 5 of the Board Governance Paper.

4. The Board approves the Operating Procedures of the Board and Committees of the Global Fund (as set out at Attachment 6, Revision 1 of the Board Governance Paper), which shall supersede both the Board Operating Procedures as last amended on 2 March 2011 (GF/B22/EDP/10) and the Committee Rules and Procedures as last amended at the Twentieth Board Meeting.
5. The Board authorizes the Secretariat to undertake any necessary consequential modifications to existing policies, processes and procedures in order to reflect the amendments to the governance materials of the Global Fund as set out in this decision point.
6. The amendments to the governance materials of the Global Fund as set out in this decision point shall have immediate effect.

The Board notes that this decision point concludes the first phase of the governance reform program initiated in May 2011.

The Board requests the Board Chair and Board Vice-Chair to proceed to propose further governance reforms as appropriate and present findings and recommendations for decision at the first Board meeting of the 2012 calendar year.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**TERG Replenishment**

**Decision Point GF/B25/DP8:**

The Board decides to extend the terms of current TERG members Minister Dorothee Kinde Gazard, Prof. Wim Van Damme, Mr. Stein-Erik Kruse, Dr. Kumaraswami Vasanthapuram, and Dr. Lixia Wang until the completion of the recruitment and selection of new TERG members, as required under the TERG Terms of Reference (GF/B22/4, Annex 5).

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**The Global Fund Evaluation Strategy 2012-2016**

**Decision Point GF/B25/DP9:**

The Board:

1. Approves the Global Fund Evaluation Strategy 2012-2016 (as set out in Annex 1 to the Report of the Policy and Strategy Committee (GF/B25/12));
2. Acknowledges that the Global Fund Evaluation Strategy 2012-2016 may require additional revisions in order to ensure consistency with the final Global Fund Strategy 2012-2016, as approved under GF/B25/DP5, and requests that the Secretariat, working together with the TERG, update the Global Fund Evaluation Strategy 2012-2016 as may be required;
3. Requests the TERG to develop an annual implementation plan for the Global Fund Evaluation Strategy 2012-2016; and
4. Requests the TERG, through the new Strategy, Investment and Impact Committee, to submit a revised Global Fund Evaluation Strategy 2012-2016 and the first annual implementation plan to the Twenty-Sixth Board Meeting for approval, and to submit subsequent annual implementation plans thereafter.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**Review of the Corporate Performance Framework**

**Decision Point GF/B25/DP10:**

The Board:

1. Refers to the Policy and Strategy Committee's endorsement of the findings of the Independent Review of the Key Performance Indicator (KPI) Framework (GF/PSC16/07), and requests the Secretariat to revise the KPI Framework in light of that Independent Review, the High-Level Panel recommendations (approved under GF/B24/DP3), and the Global Fund Strategy 2012-2016 (as approved under GF/B25/DP5);
2. Requests the Secretariat to submit the revised KPI Framework to the Board for a decision to approve any revisions; and
3. Requests the Secretariat to allocate sufficient resources under the KPI Framework to allow appropriate reporting to Board Committees relating to the KPIs under their oversight function.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

## TRP Membership

### **Decision Point GF/B25/DP11:**

1. The Board refers to its decision on “TRP Recruitment 2010-2012” (B21/EDP/18) appointing the membership of the Technical Review Panel (TRP) Support Group, comprising the pool of experts from which TRP membership will be replenished in the event of TRP vacancies as they may arise. The Board also notes that each of the TRP Support Group members (as presented in Annex 1 of the Report B21/EDP/18) have been recommended by the Portfolio and Implementation Committee and the Executive Director of the Global Fund Secretariat. The Board authorizes the TRP Chair and TRP Vice-Chairs to appoint replacements for vacancies in the Permanent TRP and Alternate members from members of the TRP Support Group.
2. The Board authorizes the TRP Chair and TRP Vice-Chairs to add members to the TRP as required for a given round of proposals. Such additional members shall be selected from Alternate Members, and where necessary due to member unavailability, from former TRP Members.
3. When additional members are added to the TRP, the TRP leadership shall report such additions to the relevant Board Committee.
4. The Terms of Reference of the TRP shall be amended accordingly.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**Approval of Voluntary Dispute Resolution Process**

**Decision Point GF/B25/DP12:**

The Board approves the adoption of a Voluntary Dispute Resolution Process as described in GF/FAC17/23 to provide Principal Recipients of Grant funds with a non-binding alternative to arbitration to resolve disputes related to OIG final audit or inspection reports.

The budgetary implications of the Voluntary Dispute Resolution Process will be part of the 2012 Operating Expenses Budget.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**The Global Fund Medium-Term Human Resources Strategy**

**Decision Point GF/B25/DP13:**

The Board approves the Global Fund Medium-Term Human Resources Strategy as described in GF/FAC17/17.

The implementation of this decision shall be budget neutral with respect to the proposed 2012 Operating Expenses Budget.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**Appointment of Committee Leadership**

**Decision Point GF/B25/DP14:**

1. The Board approves the appointment of Todd Summers and Shaun Mellors respectively as Chair and Vice-Chair of the Strategy, Investment and Impact Committee to serve two-year terms, or until the appointment of their respective successors;
2. The Board approves the appointment of Viorel Soltan and John Monahan respectively as Chair and Vice-Chair of the Finance and Operational Performance Committee to serve two-year terms, or until the appointment of their respective successors; and
3. The Board approves the appointment of Brian Brink, Claude Rubinowicz and Karlo Boras to serve as members of the Audit and Ethics Committee, occupying those Committee seats reserved for Board constituencies, and Brian Brink as Vice-Chair of the Audit and Ethics Committee to serve two-year terms, or until the appointment of their respective successors. The remaining four seats on the Audit and Ethics Committee reserved for independent members, including that of the Committee Chair, shall be filled by the Board in due course based on the nominations received from the Coordinating Group.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**2012 Operating Expenses Budget**

**Decision Point GF/B25/DP15:**

1. The Board approves a budget ceiling for the 2012 Operating Expenses Budget in the amount of US\$ 369.9 million, as set out in Attachment 1 to the Report of the Finance and Audit Committee (“FAC”) to the Twenty-Fifth Board Meeting (GF/B25/14), based on the exchange rate outlined in Attachment 1 of the Report of the FAC (GF/B25/14) and subject to the Secretariat providing a budget paper to be presented to the Finance and Operational Performance Committee and shared with the Board before the end of the calendar year 2011.
2. The Secretariat shall enter into a forward contract with a reputable bank and shall notify the Board of the budget amount at the exchange rate determined on the date of the signature of the forward contract in a paper submitted to the Board. The new amount shall thus be deemed to be the approved Operating Expenses Budget for 2012.
3. The use of any amount in the US\$ 3.0 million contingency within the OIG budget for 2012 is conditional upon the advance approval of the Finance and Operational Performance Committee on the recommendation of the Audit and Ethics Committee.

The budgetary implications of this decision amount to US\$ 369.9 million in 2012, which covers the cost of five additional staff positions for the Office of the Inspector General, one additional staff position for support to the Board leadership for 2012, and the full-year cost of the 25 additional staff positions already approved under GF/B23/EDP/07.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**Modification of Grant Renewals and Transition to New Funding**

**Decision Point GF/B25/DP16:**

The Board:

1. In light of current resource constraints, adopts the measures identified in Annex 1 in order to make available resources to provide for continuation of essential prevention, treatment and/or care services by current grantees.
2. Agrees to establish a Transitional Funding Mechanism as described in Annex 2 in order to provide this continuation funding.
3. Decides to convert Round 11 into a new funding opportunity consistent with the new Global Fund 2012-2016 Strategy, with a view towards funding proposals under the new model beginning in early 2014. Round 11 proposals that are updated as appropriate may form the basis for an application for the next funding opportunity.
4. Directs the Secretariat to work with countries and partners to develop full expressions of demand for programs for the three diseases and related health systems and civil society strengthening investments that are consistent with the new strategic approach envisioned in the new Strategy, with such information to be available for the Mid-Term Replenishment.
5. Urgently requests donors to consider measures to increase and accelerate funding, and implementing country governments, especially those from middle-income countries, to increase funding for the three diseases and related health investments.
6. Delegates to the Board Chair, in consultation with the Vice-Chair, authority to make or delegate any additional decisions necessary to implement the above. The Board Chair shall report to the Board on any such decisions taken.

**Signed:**

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Alvaro Bermejo  
Rapporteur

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Paula Hacopian  
Secretariat

**Annex 1 to GF/B25/DP16**

**Annex 1: Financial Measures**

1. Effective 1 January 2012, a revised application and approval process for renewals will be employed to ensure strategic investments, as described in “Options for Modification of the Application, Renewal and Approval Processes for New and Existing Investments,” (GF/B25/8).
2. Effective 1 January 2012, the following eligibility criteria for renewals applications will become effective:
  - a. Group of 20 (G-20) upper middle income countries with less than an extreme disease burden will no longer be eligible for renewals of grants; and
  - b. The counterpart financing and focus of proposal requirements under the Policy on Eligibility, Counterpart Financing and Prioritization will apply.
3. Transitional measures as described in GF/B25/8 will be made available to countries impacted by the above changes to eligibility.
4. The one-year Grace Period provision for changes in country income classification will be rescinded for both new proposals and grant renewals.
5. The TRP will support the renewals process by providing independent technical expertise to the Secretariat panel making recommendations on grant renewals.
6. The total funding approved for grant renewals for Low Income Countries will be no less than 55% of any annual funding window.
7. Additional Commitments (as defined in the Comprehensive Funding Policy) longer than one year shall be committed in annual tranches for renewals of existing grants.

**Annex 2 to GF/B25/DP16**

**Annex 2: Transitional Funding Mechanism**

**Scope:**

1. Grantees may apply for up to two years of funding for continuation of essential prevention, treatment and/or care programs currently financed by the Global Fund that will otherwise face disruption between 1 January 2012 and 31 March 2014.
2. The Secretariat, in consultation with partners and the TRP, will develop guidance on components of “essential prevention, treatment and/or care.”
3. Applicants must show that there are no alternative sources of funding available to fund the activities proposed.
4. The Policy on Eligibility, Counterpart Financing and Prioritization will apply.
5. Applications will be due 31 March 2012.
6. Second Wave NSA applications will also be subject to the criteria above.
7. The Health Systems Funding Platform will be suspended until the new funding model is operational.

**Review and Approval Process**

1. The TRP will assess applications for the Transitional Funding Mechanism in accordance with the criteria in its Terms of Reference and will also determine whether applicants demonstrate a risk of “disruption of essential prevention, treatment and/or care” services and that the activities cannot be funded by alternative sources of funding.
2. The Board or an appropriate committee, as determined by the Board Chair, will endorse the TRP’s recommendations, and provide guidance on prioritization if demand exceeds supply.
3. Applications will be approved on a rolling basis. Funds may be committed in staggered commitments so as to minimize disruption of activities.

**Implementation**

1. If programs face disruption before funds become available under the Transitional Funding Mechanism, the Secretariat (under the direction of the Board Chair) will develop a bridge funding mechanism to cover the disruption for the minimum amount and time necessary.