Appointment of the Rapporteur

Decision Points:

- Dr. Carol Jacobs from the Latin America and Caribbean Constituency is designated as Rapporteur for the Eighth Board Meeting.

Signed 28-06-2004

Dr. Carol Jacobs
Rapporteur

Dianne Stewart
Secretariat
## Approval of the Agenda

### Decision Points:

- The agenda for the Eighth Board Meeting is approved.
Decision Points:

- The report of the Seventh Board Meeting is approved.
Decision Points:

Decision Point:

The Board approves, with immediate effect, the amendments to the Bylaws and Board Operating Procedures (as outlined below) that add a constituency represented by a representative of an NGO who is a person living with HIV/AIDS or from a community living with tuberculosis or malaria (the “Communities delegation”) as a full voting member of the Board.

The Board announces its intention to add an additional and balancing donor seat when new donor resources become available which meet an appropriate financial threshold.

Amendments:

Article 7.1 of the Bylaws is amended as follows:

7.1. Composition

The Foundation Board shall consist of nineteen voting members and four nonvoting members. Each voting member shall have one vote.

Voting members of the Foundation Board shall consist of:

- Seven representatives from developing countries, one representative based on each of the six World Health Organization (“WHO”) regions and one additional representative from Africa.

- Seven representatives from donors.

- Five representatives from civil society and the private sector (one representative of a non-governmental organization (“NGO”) from a developing country, one representative of an NGO from a developed country, one representative of the private sector, one representative of a private foundation, and one representative of an NGO who is a person living with HIV/AIDS or from a community living with tuberculosis or malaria).

The four ex-officio nonvoting members of the Foundation Board shall consist of:

- One representative from the WHO; One representative from the Joint United Nations Programme on HIV/AIDS (“UNAIDS”);

- One representative from the trustee; and

- One Swiss citizen with his or her domicile in Switzerland authorized to act on behalf of the Foundation to the extent required by Swiss law.
Members of the Foundation Board ("Board Members") may each appoint one Alternate Member to serve in their stead, under policies and procedures determined by the Foundation Board.

The third paragraph of Article 7.6 is amended as follows:

7.6 Operations

The Foundation Board shall use best efforts to make all decisions by consensus. If all practical efforts by the Foundation Board and the Chair have not led to consensus, any member of the Foundation Board with voting privileges may call for a vote. In order to pass, motions require a two-thirds majority of those present of both: a) the group encompassing the seven donor seats and the two private sector seats and b) the group encompassing the seven developing country seats, the two non-governmental organization seats, and the representative of an NGO who is a person living with HIV/AIDS or from a community living with tuberculosis or malaria.

Section 10 of the Board Operating Procedures is amended as follows:

10. Decision-making

The Board shall use best efforts to reach all decisions by consensus. If all practical efforts by the Board and the Chair have not led to consensus, any member of the Board with voting privileges may call for a vote. In order to pass, motions require a two-thirds majority of those present of both: a) the group encompassing the 7 donor seats and the 2 private sector seats and b) the group encompassing the 7 developing country seats, the 2 non-governmental organization seats, and the representative of an NGO who is a person living with HIV/AIDS or from a community living with tuberculosis or malaria.

There are no material budgetary implications for this decision point.
Eighth Board Meeting  
Geneva, 28 - 30 June 2004

Phase 2 Funding  
(Report of the Monitoring, Evaluation, Finance & Audit Committee (MEFA))

Decision Points:

**Decision Point 1:**

1.1 The Board decides that special policies and procedures are required in the event of insufficient resources during a certain calendar year to fund all Phase 2 grant renewals. Such a situation of resource constraints would become evident at the final Board meeting of the previous year.

1.2 The Board decides that provided funding is available for at least one year of renewals, available resources will be allocated among all grants that satisfy the Global Fund’s renewal criteria according to a time-limited partial allocation system.

   a. A time-limit for renewed grants should be established by the Board at the final Board meeting of the year prior to the year of renewals. This time limit will be based on conservative estimates of resource needs for renewals as compared to resources available for the calendar year of resource constraints.

   b. Initial amounts committed during the year may be adjusted at the end of the year based on actual resource needs for renewals as compared to resources available.

There are no material budgetary implications for this decision point.

**Decision Point 2:**

The Board decides that for subsequent year(s), the following priority system will apply in the event of resource constraints:

- **First funding priority:** Unfunded portions of prior year(s) renewals.
- **Second funding priority:** Renewals due in the current year. A time limited partial allocation system will be established as necessary (see Decision Point 1.)
- **Third funding priority:** New proposal rounds (as already established in the Comprehensive Funding Policy).

There are no material budgetary implications for this decision point.
**Decision Point 3:**

The Board recommends that if funding is not available for at least one year of Phase 2 grant renewals during a certain calendar year, special procedures will be decided by the Board at the final Board meeting of the previous year.

*There are no material budgetary implications for this decision point.*

**Decision Point 4:**

The Board recognizes the importance of sustaining ongoing treatment, as well as prevention, care and support services.

The Board requests the Secretariat urgently to explore internal mechanisms and to work with partners to develop options for the continuity of services through broader country partnerships associated with common national strategic framework for the three diseases. The Board requests the Secretariat to report back to MEFA, PMPC and the Ethics Committee on these issues in time for the development of recommendations by the Ninth Board Meeting.

**Budgetary implications of this decision point:**

The additional cost of implementing this decision is approximately US $135,000.
Eighth Board Meeting
Geneva, 28 - 30 June 2004

Decision Points:

**Decision Point 1:**

The Board approves for funding the proposals recommended by the Technical Review Panel, and according to the categories listed below, with the clear understanding that budgets requested are upper ceilings rather than final budgets and the Secretariat should report to the Board the results of the negotiations with Principal Recipients on the final budget for acknowledgement (Report of the Technical Review Panel and the Secretariat on Round Four Proposals: Annex II).

- **Category 1:** Recommended proposals with no or minor clarifications, which should be met within 4 weeks and given the final approval by the TRP Chair and/or Vice-Chair.
- **Category 2:** Recommended proposals provided clarifications are met within a limited timeframe (the initial reply to TRP clarifications should be received within 6 weeks of the applicant’s receipt of the initial decision of the Board, and any further clarifications should be completed within 4 months from the receipt of the initial reply from the applicant). The TRP Chair and/or Vice-Chair shall give final approval based on consultations with the primary and secondary reviewers.
- **Category 3:** Not recommended in their present form but are encouraged to re-submit.
- **Category 4:** Not recommended for funding.

**Decision Point 2:**

The Board acknowledges the lessons learned by the Secretariat and the TRP during the Round 4 process and requests the PMPC to further consider the Report of the TRP and to recommend specific actions to address the issues raised by the TRP, and to address the length of time TRP members are permitted to serve on the TRP at the Ninth Board Meeting.
Technical Review Panel (Report of the Portfolio Management and Procurement Committee)

Decision Point 1:

The Board exempts the Round 3 proposals from the Angola CCM on malaria and from the Benin CCM on malaria from the requirement that all TRP clarifications for proposals in Category 2 should be received within 6 weeks of the applicant’s receipt of the initial decision of the Board, and any further clarifications should be completed within 4 months from the receipt of the initial reply from the applicant, in light of the evidence presented by the TRP that this timeframe was impossible to meet due to delays caused by the unavailability of TRP reviewers.

There are no material budgetary implications for this decision point.

Decision Point 2:

The Board exempts the incoming Chair of the TRP, Jonathan Broomberg, from the requirement that TRP members leave the TRP after four Rounds of proposal review, in light of the need for continuity in the leadership of the TRP.

There are no material budgetary implications for this decision point.

Decision Point 3:

The Board commends the Technical Review Panel for its dedicated efforts to ensure that Global Fund financing targets only technically sound proposals. Special recognition is given to the outgoing chair of the Technical Review Panel, Michel Kazatchkine, for his leadership, vision, and dedication to the development of the Technical Review Panel.

There are no material budgetary implications for this decision point.
Legal Status

Decision Point:

The Board authorizes the signing of the Headquarters Agreement based on the text attached as Annex 4a to the Report of the Governance and Partnership Committee.

There are no material budgetary implications for this decision point.
Decision Point:

The Ethics and Conflict of Interest Policy is amended by inserting the following as section seven, and re-numbering the policy accordingly:

7. Any individual who has served as a Board member, Alternate, a member of a Board committee, or as Chair or Vice Chair of the Technical Review Panel shall not be eligible for employment by the Global Fund Secretariat until one year following their last date of service in such a position. The Ethics Committee may waive this provision as appropriate.

There are no material budgetary implications for this decision point.
Logo Policy

**Decision Points:**
Decision Point:

The Board replaces the current eligibility criteria of “co-financing” and “moving over time to an increasing reliance on domestic resources” with a single criterion termed “counterpart financing.” The Board adopts the following definition of counterpart financing:

a. Counterpart financing encompasses all domestic resources (including contributions from governments, loans from external sources or private creditors, debt relief proceeds, and private contributions such as from non-governmental organizations, faith-based organizations, other domestic partners, and user fees) dedicated to the disease program;

b. Counterpart financing is in the form of parallel financing.

The Board requests the Secretariat to only deem eligible proposals from Upper-Middle Income countries that demonstrate 20% counterpart financing, and from Lower-Middle Income countries that demonstrate 10% counterpart financing for the first year of proposed Global Fund grant implementation.

The Board requests proposals to demonstrate a progressive increase in counterpart financing over the proposed duration of a Global Fund proposal from 20% to 40% for Upper Middle Income countries and from 10% to 20% for Lower-Middle Income countries.

The Board exempts non-CCM proposals from the counterpart financing requirement.

The Board will not further define the eligibility criterion “focusing on poor or vulnerable populations” and instead will allow applicants to use their own definitions of poor or vulnerable populations. The Board requests the Secretariat to work with partners such as the World Health Organization, UNAIDS, and the World Bank to further refine this term in order to provide guidance to applicants.

There are no material budgetary implications for this decision point.
**Fifth Call for Proposals**

**Decision Point**

The Board requests the Secretariat to begin preparations for the Fifth Call for Proposals, to enable a decision at the Ninth Board Meeting on the Fifth Call for Proposals.

*There are no material budgetary implications for this decision point.*
Decision Points:

Decision Point 1:

The Board recommends that a maximum time limit is needed for a proposal to result in one or a few grant agreements to set performance incentives for all actors involved in this process. This includes the Secretariat, the TRP, LFAs, CCMs and PRs, with responsibilities to be clearly defined. Based on these specified responsibilities, all actors are accountable for completing the necessary work between Board approval of a proposal and grant agreement signing as swiftly as possible.

There are no material budgetary implications for this decision point.

Decision Point 2:

The Board recommends that the normal time from Board approval of a proposal to grant agreement signing should be approximately 6 months. If a grant agreement has not been signed 12 months after Board approval, the proposal should no longer be considered approved unless the Board decides to allow a further exceptional time extension based on information received from the Secretariat and CCMs. This time extension will be limited to a maximum of 3 months.

Based on further experiences with Global Fund processes, the Secretariat will provide improved estimates on the time required to complete the work between Board approval and grant signing to MEFA before the November Board meeting. At this time, the Board may decide to shorten the maximum time limit specified in decision point 2.

The resources allocated to a Board-approved proposal that has no signed grant agreement within the specified time period shall be made available for other priority uses according to the Global Fund financial policies.

This policy shall not apply for Rounds 1 and 2.

There are no material budgetary implications for this decision point.

Decision Point 3:

The Board recommends that the Secretariat analyze possible implications for proposals approved in Round 3 for which grant agreements have not been signed within the maximum time limit specified.

There are no material budgetary implications for this decision point.

Signed 29-06-2004

Dr. Carol Jacobs
Rapporteur

Dianne Stewart
Secretariat
Protection from Exchange Rate Fluctuations

Decision Point:

The Board recommends that the option of top-up grants should not be pursued as mechanisms to protect against exchange rate fluctuations.

There are no material budgetary implications for this decision point.
Decision Point:

The Board recommends the following:

- From 2005, proposals submitted to the Global Fund may be denominated in USD as well as in Euro.
- Grant agreements may be signed in USD or Euro, depending on a recipient's preference. Disbursements will be made in the denominated currency of the grant agreement.
- The Board requests the Trustee to incorporate in its data processing system for the Global Fund, the capacity to cater for grants denominated in USD as well as in Euro.
- The Board authorizes the Secretariat to incur costs not exceeding USD 150,000, for this purpose. The Secretariat may use the contingency to cover this expenditure.
- The Board mandates the MEFA Committee with the Secretariat to prepare the operational implications for the Ninth Board Meeting.

Budgetary implications of this decision point:

The budgetary implications of this decision point could not be prepared prior to the adoption of this decision point.
Eighth Board Meeting  
Geneva, 28 - 30 June 2004

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**Replenishment Mechanism**

**Decision Point:**

The Board adopts the paper describing the operational modalities to implement the process of Voluntary Replenishment (as outlined in Annex 3 of the Report of the Resource Mobilization and Communication Committee (RMCC)).

**Budgetary implications of this decision point:**

The additional cost of implementing this decision is estimated at approximately US$ 300,000.

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*Signed 20-06-2004*

Dr. Carol Jacobs  
Rapporteur

Dianne Stewart  
Secretariat
Decision Point

The Board resolves to expand the membership of the Ethics Committee from four members to six voting members. Desiring to achieve appropriate balances between geographic representation, gender, and government and civil society participation, 3 members shall come from the voting group encompassing the donor and private sector constituencies and 3 from the recipient, NGO and Communities constituencies.

The Board resolves that the Ethics Committee shall also appoint one independent, non-voting expert to advise the Committee.

There are no material budgetary implications for this decision point.
Decision Point:

The Board adopts the requirements and recommendations as proposed in Annex 3a, and treats all requirements in this document as recommendations, in order to improve the functioning of Country Coordinating Mechanisms as public-private partnerships of all relevant stakeholders.

With regards to HIV/AIDS, coordination efforts should be done within the overall framework of the "Three Ones".

The Board decided to table Option 1 of Recommendation 9.

The Board decided to replace Recommendation 13 with the following:

The Board takes note of the recommendation contained in the reports of GPC, MEFA and TRP concerning the need to strengthen technical assistance and capacity development. Considering the urgency and cross-cutting nature, the Board recommends the formation of a special Ad Hoc Working Group to assess needs and make policy recommendations to facilitate the provision of technical assistance and capacity development for and through Country Coordinating Mechanisms, Principal Recipients, Sub-Recipients, inclusive of all phases of the Fund’s grant cycle. The Ad Hoc Working Group will present recommendations for approval at the Ninth Board Meeting.

The Board decided to replace Recommendation 15a with the following:

The Board further directs the Secretariat, in consultation with the TERG, to develop a pilot set of auditable standards for benchmarking the performance of CCMs and report back through the GPC by the Ninth Board Meeting.

Budgetary implications of this decision point:

Recommendation 9 (Option 2) would have budgetary implications for the Secretariat in the amount that MEFA would recommend to be set aside as a discretionary budget. No other recommendation in the Annex has budgetary implications.

Signed 30-06-2004

Dr. Carol Jacobs
Rapporteur

Dianne Stewart
Secretariat
Executive Session

Decision Points

Decision Point 1:

The Board of The Global Fund to Fight AIDS, Tuberculosis and Malaria decided to renew Professor Richard Feachem’s contract as Executive Director of the Global Fund on the same terms and for a period of two years beginning 15 July 2004.

Decision Point 2:

The Board approved the Terms of Reference for the Executive Director as amended.
Decision Points:

Revised Decision Point 4:

The Board recognizes the importance of sustaining ongoing treatment, as well as prevention, care and support services.

The Board requests the Secretariat urgently to explore internal mechanisms and to work with partners to develop options for the continuity of services through broader country partnerships associated with common national strategic framework for the three diseases. The Board requests the Secretariat to report back to MEFA, PMPC and the Ethics Committee on these issues in time for the development of recommendations by the Ninth Board Meeting.

Up to the Ninth Board Meeting, Secretariat priority shall be given to addressing issues related to discontinuation of treatment within Global Fund grant programs

Budgetary implications of this decision point:

The additional cost of implementing this decision is approximately US $67,500.

Decision Point 5:

With regard to the legal concerns and fiduciary policy constraints raised by some Board Constituencies, the Board decides to revisit the issue of approval authority of the agreed procedure for decision making on Phase 2 renewals.

MEFA, in cooperation with the PMPC, is requested to explore options for incorporating in the agreed Phase 2 renewal process provision for the exercise by the Board of an appropriate decision making role that meets legal and fiduciary policy requirements of Board constituencies and make recommendations to the Ninth Board Meeting.

As an interim arrangement, the Board authorizes the Secretariat to extend the terms of grants up to six months for those grants where Phase 2 decision is required prior to the Ninth Board Meeting, and to provide bridge funding for such grants as appropriate based on program needs during this extension period. The Board approves an amount of up to USD 30 million to be used for this purpose.
**Decision Point 6:**

The Board recognizes the urgent need to allow recipients to change to new, more expensive artemisinin-based combination therapy in line with the latest scientific evidence, following the recommendations of the malaria experts of the Technical Review Panel.

As an interim measure, the Board authorizes the Secretariat to commit as necessary up to USD 90 million for the projected costs of reprogramming 28 programs, which would be financed by utilizing resources from the Phase 2 renewal funding of these programs.

The Board requests PMPC to consider the issue of reprogramming in the context of changing scientific evidence, and report back to the Ninth Board Meeting.
Decision Point:

The Board notes and shares the concerns expressed in the report of the Executive Director as to the situation with regard to Portfolio Management staffing, in view of the anticipated rapid acceleration of workload in July – December 2004 and beyond.

MEFA will call a special meeting of a Finance sub-group in advance of the 7 – 8 October MEFA meeting to further review and analyze the staffing situation and the budget implications for 2004 and 2005. This meeting will also review the 2005 and 2006 draft budget details to ensure that the preparation of the budget is completed in accordance with the agreed schedule and to deliver fully developed proposals to Board members by October 22, 2004.

As an exceptional measure, the Board authorizes an increase in the 2004 Secretariat budget of up to $2.0 million, representing + 29 positions, a maximum staffing of 118 positions. This translates into a 2005 commitment of $ 4.8 million (annual basis).

This will be financed in 2004 by a $ 1.7 million transfer from the 2004 LFA budget and the use of up to $ 300,000 from the contingency provision, after exploring other 2004 savings options.
Eighth Board Meeting
Geneva, 28 - 30 June 2004

"Three Ones" Resolution

Decision Point

The Global Fund strongly endorses the “Three Ones Framework”.

In this context the Board welcomes the recent initiative led by Chairman Thompson, U.S. Ambassador Tobias and European Union leaders to call together key stakeholders – including WHO, UNAIDS, the World Bank, the Global Fund and major donors, to take forward practically the “Three Ones” agenda.

We commit the Global Fund, both now and in the future, to work practically and concretely with others to improve and measure coordination and make a success of harmonization as outlined in the “Three Ones Framework”.

Specifically, the Secretariat should explore as part of the CCM indicator framework and other processes, the monitoring of the Global Fund’s performance in harmonizing its own processes and procedures with other in-country national frameworks and coordination mechanisms.
Core Business Model of the Global Fund

Decision Point

The Board agrees to have a retreat of Board Members and Alternates to discuss the core business model of the Global Fund, to be held in Arusha, Tanzania on Saturday 20 November 2004.
Eighth Board Meeting
Geneva, 28 - 30 June 2004

Recognition of Issuance of Commemorative French Stamp

Decision Point:

At the occasion of the issue on July 1st of the first stamp dedicated to the Global Fund to Fight AIDS, Tuberculosis and Malaria by the French Post Office, the Board of the Global Fund expresses its profound gratitude to the French Post Office. The issue of this first stamp dedicated to the Global Fund will increase the awareness of the urgency of the fight against these three diseases and on the key role of the Global Fund in this fight.

A l’occasion de l’émission de le 1er juillet 2004 du premier timbre dédié au Fonds Mondial de Lutte contre le SIDA, la Tuberculose et le Paludisme para la Poste française, le Conseil du Fonds Mondial exprime a la poste française sa profonde gratitude. L’émission de ce premier timbre dédié au Fonds mondial contribuera à accroître a prise de conscience sur l’urgence du combat a mener contre ces trois maladies et sur le rôle clé du Fonds mondial dans ce combat.
### Annex II A

#### Annex II A: List of components reviewed in Round IV, classified by category

<table>
<thead>
<tr>
<th>No.</th>
<th>PSGM ID</th>
<th>Source</th>
<th>Country and World Bank Classification</th>
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<th>Component</th>
<th>Requested Ye</th>
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<th>Total 5 Years</th>
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**Report of the TRP Annex II A**

_Eighth Board Meeting_  
_Geneva, 28 – 30 June 2004_
* Please note that "OTH-404-001" refers to Kosovo.
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<tr>
<th></th>
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<tbody>
<tr>
<td>AMR, HIV/AIDS</td>
<td>$1,167,435</td>
<td>$1,398,000</td>
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<tr>
<td>AMR, Tuberculosis</td>
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<td>AFR, Tuberculosis</td>
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<td>LAC, HIV/AIDS</td>
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<td>LAC, Tuberculosis</td>
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** Please note that the first year budgets of the countries listed below was evenly spread over year 1 and year 2. Total budgets, however the 2 year totals remained unchanged.
- AMR, HIV/AIDS
- EAP, HIV/AIDS
- LAC, HIV/AIDS